Brazil's Jari project

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FINANCIAL TIMES

Europe's Business Newspaper WEDNESDAY NOVEMBER 4 1992 D8523A

German business mood gloomiest for 10 years

The mood in German business and industry is gloomier than at any time for 10 years, and talk is openly of recession, according to the annual survey of business opinion by the German chambers of commerce and industry.

"For German business, 1993 will be a tough year," Dr Franz Schoser, chief executive of the chambers, said. "Since the unification boom is over, a recession can no longer be ruled out." **Page 22; Schlesinger calls for pay restraint, Page 2; Kohl and partners agree cuts, Page 2.**

Canadian optimism: A spate of encouraging economic statistics has lifted hopes that Canada's recovery is at last on firm ground. **Page 22**

Swedes 'reject EC': A majority of Swedes oppose European Community membership, according to a new poll which found found that 58 per cent would vote No if a referendum on the issue were held now. **Page 22**

Roach to be buried alongside Mark Twain

Hal Roach, the legendary producer and director of comedy films, who died late on Monday aged 100, is to be buried alongside the writer Mark Twain, whom he knew when he was growing up in New York state. Roach is pictured here with cardboard cutouts of Laurel and Hardy – two of the stars he discovered. Harold Lloyd was another of his protégés.

Travelers Corporation: Damage claims arising from Hurricane Andrew, which devastated parts of southern Florida in August, helped push the Connecticut-based composite insurer to a $385m after-tax loss in the third quarter. **Page 23**

Power cut: The cabinet of Chuan Leekpai, the Thai prime minister elected in September in the aftermath of a bloody confrontation between the army and pro-democracy forces, revoked laws giving the military sweeping powers. **Page 10**

Berlitz: The price of the Princeton-based language school and publishing group's shares slumped by more than 10 per cent after it disclosed that its prospective Japanese buyer was seeking to renegotiate terms. **Page 25**

Irish government at risk: The fate of Ireland's coalition government hung in the balance last night after an unprecedented attempt to involve the judiciary in the political row between the two coalition partners. **Page 2**

Protester hurt: A man was seriously injured when a British RAF dummy bomb fell into a crowd of German pacifists demonstrating in a military exercise area at Nordhorn, Lower Saxony.

Blow for Labor: Australia's Labor government suffered a serious setback when the left-wing Democrats joined the conservative Liberal and National parties to force a Senate inquiry into government borrowing practices. **Page 10**

Panic wins vote: Yugoslavia's prime minister, Milan Panic, narrowly survived a no-confidence vote in the upper house of the federal parliament. **Page 3**

Tighter rules: Cosmetics manufacturers in the European Community will be banned from testing their products on animals from January 1 1998, but only if alternative testing methods have been developed. **Page 3**

Gatt wait: Trade diplomats from the 105 Gatt signatories meet in Geneva today, on tenterhooks over whether US and EC farm trade negotiators have averted a trade war. **Page 8**

Burma's reform moves: The country's military government plans to speed up its economic reforms to attract foreign investment and strengthen the fledgling private sector. **Page 10.**

Quick promotion: In less than eight months Louis Hughes has moved from being chief executive at Opel to president of GM Europe and now executive vice-president for all GM's international operations. **Page 23**

Purchase probe: British Airways' plan to buy just under 50 per cent of the French regional airline Transport Aérien Transrégional is being investigated by the European Commission. **Page 3**

Briton held: An unnamed Briton living in Flensburg, northern Germany, has been arrested on suspicion of illegally dealing with plutonium.

■ STOCK MARKET INDICES		
FT-SE 100:	2,785.8	(+17.8)
Yield	4.46	
FT-SE Eurotrack 100	1,838.75	(+5.94)
FT-A All-Share	1,277.83	(+0.7%)
Nikkei	closed	
New York: lunchtime		
Dow Jones Ind Ave	3,256.86	(-11.35)
S&P Composite	428.71	(-2.04)
■ US LUNCHTIME RATES		
Federal Funds:	3 1/16%	
3-mo Treas Bills: Yld	3.075%	
Long Bond	95 7/16	
Yield	7.693%	
■ LONDON MONEY		
3-mo Interbank	7 7/16%	(7 5/8%)
Liffe long gilt future:	Dec 100[illegible]	(Dec100[illegible])
■ NORTH SEA OIL (Argus)		
Brent 15-day (Dec)	$18.575	(19.425)
■ Gold		
New York Comex	$337.5	(339.9)
London	$338.7	(339.75)

■ STERLING		
New York lunchtime:		
$	1.54965	
London:		
$	1.546	(1.5315)
DM	2.42	(2.4025)
FFr	8.1925	(8.145)
SFr	2.156	(2.1425)
Y	189.8	(189.75)
£ Index	78.4	(77.9)
■ DOLLAR		
New York lunchtime:		
DM	1.5685	
FFr	5.2965	
SFr	1.398	
Y	122.2	
London:		
DM	1.5635	(1.568)
FFr	5.2925	(5.3175)
SFr	1.3925	(1.3995)
Y	122.15	(123.9)
$ Index	64.1	(64.4)
Tokyo close Y closed		

Austria	Sch30	Greece	Dr250	Lux	LFr60	Qatar	QR12.00
Bahrain	Din1.250	Hungary	Ft192	Malta	Lm0.50	S.Arabia	SR11
Belgium	BFr60	Iceland	IKr180	Morocco	MDh13	Singapore	S$4.10
Bulgaria	Lv25	India	Rs20	Neth	Fl 3.30	Spain	Pta200
Cyprus	C£1.00	Indonesia	Rp3800	Nigeria	Naira20	Sweden	SKr14
Czech	Kcs35	Israel	Shk5.50	Norway	NKr15.00	Switz	SFr3.00
Denmark	DKr14	Italy	L2500	Oman	OR1.50	Syria	SyP50.00
Egypt	E£4 50	Jordan	JD1.50	Pakistan	Rs35	Thailand	Bht50
Finland	FM12	Korea	Won 2500	Philippines	Pso45	Tunisia	Din1.250
France	FFr8.50	Kuwait	Fils.600	Poland	Zl 22,000	Turkey	L6000
Germany	DM3.30	Lebanon	US$1.25	Portugal	Esc190	UAE	Dh10.00

Major rebuffs EC commissioner as crucial vote nears

By Ralph Atkins, Ivo Dawnay and David Owen in London

MR JOHN MAJOR yesterday angrily clashed with a European commissioner over the implications of the Maastricht treaty as the UK cabinet mounted a make-or-break attempt to thwart the rebellion over Europe within the ruling Conservative party.

Fighting to avoid a House of Commons defeat tonight that would gravely undermine Britain's foreign policy, threaten the treaty's future and jeopardise his own career, the prime minister described as "very silly and ill-informed" a speech by Mr Martin Bangemann which described Maastricht as a milestone on the road to a federal Europe.

Mr Bangemann, Germany's senior commissioner, is a vice-president of the European Commission.

British cabinet ministers appear confident of victory tonight – in spite of a resilient group of Tory Euro-sceptics, numbering at least 30, whose leaders were encouraged by the embarrassment Mr Bangemann caused Mr Major.

Fierce lobbying by Mr Major and other senior Tories will continue until the last minute to persuade rebels not to vote against the government, or at least to abstain. Last night it appeared that a possible lifeline may yet come from the nine MPs of the Ulster Unionist party who, although supposedly anti-Maastricht, may abstain rather than vote against the government.

About 30 Euro-sceptic Conservative MPs met last night to discuss tactics in what will be a battle over a government motion that supports proceeding with ratification of Maastricht and a Labour amendment which would defer debate until after the European summit in Edinburgh in mid-December.

All Conservative MPs are under firm orders to attend Parliament tomorrow, which would allow, if necessary, for debate on a confidence motion that the government would win easily.

But it was clear that Mr Major was annoyed by the timing – if not the content – of Mr Bangemann's speech to a Berlin conference on Europe's future.

Speaking in the Commons, he said Mr Bangemann was "an official" who had not been involved in European summits at Maastricht, Lisbon or Birmingham.

After Downing Street asked for clarification of the speech at lunchtime, the European Commission had made "absolutely clear these were personal remarks by Mr Bangemann and did not reflect the views of the Commission", Mr Major said.

"Nor, I can assure you, are they my views, the views of this government or the views of any mainstream government in Europe," he added.

Mr Major was backed last night by Sir Leon Brittan, one of the UK's EC commissioners, who repeated that Mr Bangemann had given "a purely personal view and not speaking for the commission itself".

But Lord Tebbit, the fiercely Euro-sceptic former Conservative party chairman, said the speech confirmed "a vote for Maastricht is a vote for a federal Europe".

The opposition Labour party, moreover, seized on Mr Bangemann's remark that the "subsidiarity" principle – by which decisions are taken at the most appropriate level of government – "presupposes the idea of a federal European state". That reinforced the party's belief that ratification of Maastricht should not proceed until subsidiarity had been further defined at the Edinburgh EC summit.

Mr Jack Cunningham, shadow foreign secretary, said there was "no agreement on what subsidiarity really means in practice or is going to mean". Labour will vote against the government tonight.

Liberal Democrats, who back Maastricht, were jeered by Labour MPs in the Commons yesterday after 19 out of the 20-strong parliamentary party decided to vote with government.

The Maastricht vote, Page 11

Martin Bangemann: challenging UK view of European Community

Bangemann says Maastricht marks road to federal state

By David Gardner in Brussels

THE MAASTRICHT treaty is a milestone along the road to a federal European state, ensuring that "more and more decisions can only be taken at the European level", according to Mr Martin Bangemann, vice-president of the European Commission.

Mr Bangemann, a former German economy minister and Bonn's senior commissioner in Brussels, said the EC must integrate further before it takes in new members, and that the notion of "subsidiarity" – ensuring decisions are taken at the most appropriate level of government – "presupposes the idea of a federal European state".

His remarks, although unexceptionable from a German federalist and supported by the contents of Maastricht and EC policy, provided ammunition to UK anti-treaty MPs out to defeat Mr John Major's government in tonight's Maastricht vote.

Mr Bangemann, former leader of Germany's liberal Free Democrats, the junior coalition partner in Chancellor Helmut Kohl's government, was speaking at a conference on Europe's future.

His remarks challenge the minimalist interpretation of the treaty which Mr Major and Mr Douglas Hurd, the British foreign secretary, have been presenting to their domestic constituencies.

As Mr Bangemann recognises, neither he nor the Commission has any powers over what decisions are taken at EC level, when the EC should enlarge, much less what the 12 should decide in the constitutional review foreseen by Maastricht for 1996.

"It is the Council not Commission which decides on all Community matters," he underlines. But his remarks show an uncompromising if mainstream federalist view of EC development, and of the need for more "deepening" before the Community "widens".

They also echo last week's warning from Mr Jacques Delors, the Commission president, that Denmark will be left on Europe's sidelines if it fails to ratify Maastricht in a fresh referendum.

In the Maastricht treaty, "the goal of a federal European state is spelled out for the first time", Mr Bangemann says. "Although Maastricht did not see the creation of a federal European state, the breakthrough must come with the next step," he adds, referring to the 1996 review.

Britain's biggest companies back treaty

By Michael Cassell, Business Correspondent

BRITAIN'S biggest companies yesterday gave near-unanimous backing to the UK government's pro-Maastricht stance and warned that the country faced continuing recession and deepening isolation if its political commitment to Europe faltered.

More than 50 of the country's biggest corporations contacted by the Financial Times on the eve of the critical House of Commons debate said a No vote risked leaving Britain as a "semi-detached" member of the Community, powerless to influence events.

There is evident impatience at the uncertainty surrounding Britain's future role in Europe and a desire to see an end to a period of mounting confusion.

Many companies voice fears that Britain's ability to exploit fully the single market will be seriously undermined if it were not to ratify the treaty and that inward investment into Britain would be badly hit if the country appeared to be increasingly isolated within the EC.

Though many companies want the government to seek clarification of elements of the treaty, they believe its ratification remains an inevitable next step in the political and economic development of Europe.

Most chief executives say that, whatever the doubts over Maastricht, tonight's vote will send an important message to Britain's EC partners and that it must be a positive one.

Britain's Federation of Small Businesses said it supported a referendum on Maastricht, claiming the treaty offered "threats and promises", however it feared the threats would hit smaller companies.

A more widespread view was echoed by Mr Barry Stephens, chairman and chief executive of Siebe, the engineering group, who said a No vote would seriously damage Britain's trading and manufacturing prospects.

Neil Tillotson, 93 (right), of Dixville Notch, New Hampshire, waits to cast the first vote of the election

Heavy turnout reported in US presidential poll

By Jurek Martin in Washington

■ Wall Street calm as US goes to the polls Page 6
■ It's just too much for Little Rock Page 6
■ Campaign soundbites Page 6
■ Observer Page 21
■ Dear Mr President: an open letter to the winner Page 21

A HEAVIER than usual turnout was reported from across the US yesterday as an estimated 100m Americans cast the votes that will determine the country's 43rd president.

The weather was mild on the east coast after much recent rain and generally good in the west. A belt of raw, snowy conditions afflicted the midwest and the plains states, but all early signs were of longer-than-usual queues at polling stations.

Voter registration this year is only up about 1 per cent nationally on 1988, though in some states, especially those where Mr Ross Perot, the independent candidate, is particularly popular, increases of 6 to 8 per cent have been recorded.

Most projections are that total turnout will exceed the 50.1 per cent of registered voters recorded in 1988. Usually a higher participation favours the Democratic candidate over the Republican, but this year it may suggest that Mr Perot is doing better than the pre-election polls have indicated.

Conforming to tradition, the first returns were announced from the hamlet of Dixville Notch, in northern New Hampshire, where the polls opened at midnight.

President George Bush got 15 votes, Mr Perot eight and Governor Bill Clinton, the Democrat, only two, behind Mr André Marrou of the Libertarian Party, who got five. In 1988, Mr Bush won 34 Dixville Notch votes to only three for Mr Michael Dukakis.

The president voted early in Houston after a morning jog, and Mr Perot cast his vote in Dallas. Mr Clinton was still campaigning yesterday, finishing up with a dawn speech at Denver airport before flying back home to vote in Little Rock, the capital of Arkansas.

At his final hometown rally, Mr Bush was more reflective than he had been earlier in the day in the course of his unrelenting assaults on Mr Clinton's character and the bias of the media.

While still predicting victory, he reminisced about the Gulf War ("they can't take that away from us") and spoke of the importance of everybody exercising the franchise.

Mr Clinton's confidence remained undiminished as he completed his 27-hour campaign swing. "Tonight," he said in Denver, "we will celebrate a new future for the greatest country in the history of the human race."

Mr Perot's last rally in Dallas was boisterous and enthusiastic, though smaller than anticipated. Mr Perot danced on stage with members of his family to the tune of his new theme song, the old Patsy Cline country hit, "Crazy For You".

Also at stake yesterday were 35 seats in the US senate, all 435 seats in the House of Representatives, a fistful of governorships, state assemblies and countless state-wide and local ballot initiatives.

In addition to choosing among candidates for office, Americans were deciding matters of life, death and taxes with "yes" or "no" votes on a host of ballot propositions.

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CONTENTS

Germany's coalition agrees cuts in budget

By Quentin Peel in Bonn

CHANCELLOR Helmut Kohl's ruling coalition last night agreed on budget cuts totalling DM3.2bn ($2.1bn) and reallocated another DM2.5bn in social spending, in an effort to reduce a gaping deficit in 1993 government spending.

The measures fall far short of the estimated DM20bn shortfall forecast by Mr Jürgen Möllemann, the economics minister, estimating the likely shortfall in next year's tax revenues, additional needs for both east Germany, and unemployment benefits.

Mr Theo Waigel, the finance minister, is proposing to cover the revenue shortfall – estimated at around DM6bn for the central exchequer – by increasing the net borrowing requirement in the budget from DM38bn to DM44bn.

The extent of new spending needs in the east is still uncertain, with a cabinet debate scheduled for today now postponed until next week.

The cuts agreed last night by the Christian Democrats (CDU), Christian Social Union (CSU) and Free Democrats (FDP), the three parties in the coalition, will fall most heavily on the defence and transport ministries, and on programmes to clean up environmental damage in east Germany.

The defence budget will be cut by DM540m, and the transport budget by DM450m, without any indication of the precise areas of saving. Another DM200m will be saved from the programme to repair the ravages of Soviet uranium mining in the former East Germany. There will also be spending cuts on cleaning up military bases after the departure of Soviet troops.

A further DM400m is to be cut from the budget to fund government property purchases in Berlin, suggesting a delay in the programme to transfer the German government and parliament from Bonn to Berlin. A parliamentary commission reported yesterday that the whole move will cost DM13.2bn.

Mr Waigel's savings package seems certain to be condemned by the opposition.

Bundesbank sets terms for interest rate cuts

THE BUNDESBANK yesterday set a string of conditions for further cuts in German domestic interest rates and said it would not allow its monetary policies to be dictated by financial markets, Reuter reports from Leipzig.

Mr Helmut Schlesinger, the bank's president, told reporters in the east German city of Leipzig that lower rates depended on success in cutting public sector deficits, on the level of wage deals in the 1993 pay round, and on reining in money growth.

His deputy, Mr Hans Tietmeyer, told a news conference in Hamburg that the Bundesbank aimed to keep short-term German money market rates below 9 per cent. He added, however: "We will not allow ourselves to be pushed in one direction or the other by market expectations. We will make a sovereign decision."

Both men were speaking at events to mark the election of new vice-presidents to two regional German central banks.

Mr Schlesinger's remarks were interpreted on some markets as meaning that further cuts in official Bundesbank interest rates may be more distant than market analysts had expected.

German interest rate levels have forced other western governments to keep their own rates up to defend their currencies against the strong D-Mark, despite a desire to make borrowing cheaper for recession-hit industry and consumers.

The Bundesbank cut official interests in September, in the midst of the European currency crisis, trimming the Lombard rate to 9.5 from 9.75 per cent and the discount rate to 8.25 from 8.75 per cent. Since then, money market rates have fallen more strongly than the official rates.

Mr Schlesinger declined to make any forecasts about when, if or how much German interest rates could be lowered. But he did say that inflation was still a problem in Germany and insisted that German interest rates were not extremely high.

Further reductions in German rates also depended on slowing monetary expansion, he said, adding that money supply was still growing too quickly.

Mr Tietmeyer said a recent drop in bond market yields to well under 7.5 per cent reflected market trust in central bank policies. "The drop in these long-term rates, which we cannot directly influence, is an expression of this trust," he said. Long-term rates were the key to investment decisions.

Mr Schlesinger saw signs that 1993 wage increases would be lower than in 1992, when they were clearly too high. "We can no longer afford to make mistakes of this kind. Fiscal policies have to strive, year by year, for a reduction in all the public deficits … Both of these factors are what will create room to manoeuvre in monetary policy in the future."

Mr Schlesinger pointed out that money market rates were more important than the Lombard and discount rates. German money market rates were lower than in all other European countries except Switzerland – "we do not have an extremely high interest rate level".

Parliamentary inquiry struggles to discover truth behind political row

Irish coalition teeters on the brink

By Tim Coone in Dublin


Irish PM Albert Reynolds sets aside political troubles to celebrate his 60th birthday on Monday

THE FATE of Ireland's coalition government hung in the balance last night, as confusion surrounded an effort by a parliamentary inquiry to establish the facts at the centre of a political row between the two coalition partners.

Mr Des O'Malley, the leader of the Progressive Democrats (PDs) the junior coalition partners, was accused last week of "dishonesty" by Mr Albert Reynolds the prime minister, in evidence given at a parliamentary inquiry into the beef industry.

The PDs had set a deadline of the cabinet meeting yesterday for Mr Reynolds either to withdraw the accusation or face the loss of PD support in the coalition.

In an eleventh-hour retreat from the ultimatum, Mr O'Malley said, in his first public comment since the crisis began, that the decision on the PDs' future position in the government would now be postponed until tomorrow, pending a "special investigation" by Mr Justice Liam Hamilton, the chairman of the parliamentary inquiry, into the accusation.

However Mr Hamilton said yesterday evening that Mr O'Malley's statement was "inaccurate and misleading". He said that he will not be holding a special investigation into the allegations of dishonesty but would seek to clarify the facts during the normal course of the inquiry's hearings today.

Mr O'Malley said later that he "regretted" the misunderstanding, but gave the clearest signal yet that his party would withdraw from the coalition tomorrow. "There is no point in carrying on a charade and inviting the people of this country to believe that this government can continue. It can't and it won't," he said.

Yesterday's cabinet meeting proceeded without the participation of the two PD ministers, confirming the impression that the coalition government has for all intents and purposes broken down.

Verbal clashes in the local media between the coalition partners have continued to escalate. When Mr Seamus Brennan the education minister, defended Mr Reynolds' position on a radio programme yesterday morning, Mr Michael McDowell, the chairman of the PDs accused him of using "weak-minded wessel words" to which Mr Brennan replied: "I will not sit here and be insulted."

Despite the latest turn of events, the coalition does now appear to be in its final days and to have passed the point of no return. The question now is simply to determine who is to be blamed for the government's eventual collapse.

Summarising a unanimous view now held by the opposition, Mr Proinsias de Rossa the leader of the opposition Democratic Left party said: "This government is now inherently unstable. It may have won a stay of execution but it is not a reprieve. It is clear that the general election campaign has effectively begun."

France and Spain close ranks on Maastricht

FRANCE and Spain yesterday ruled out changing the Maastricht treaty on European union to meet Denmark's demands for a special status, Reuter reports from Paris.

Mr Felipe Gonzalez, the Spanish prime minister, said in Paris that Denmark's proposals for binding legal exemptions from key provisions required an unacceptable rewriting of the treaty on EC political, economic and monetary union.

Speaking after talks with President François Mitterrand, he said the Danish government did not yet appear to have a final position.

But he told reporters: "As they have been formulated in the document, I think the [Danish proposals] require a change in the Maastricht treaty which I believe will not be acceptable to the member states."

France's European affairs minister, Ms Elisabeth Guigou, said in a parliamentary debate yesterday that France would study Denmark's proposals but ruled out any renegotiation of the accords.

UK seeks Danish accord

By David Marsh, European Editor

BRITAIN last night reaffirmed its desire to avoid upsetting the Maastricht ratification process, in spite of difficulties posed by Denmark's proposals for changes in the treaty.

In talks between the UK and Danish foreign ministers, the British government said it wanted to work towards an accord with Denmark without "reopening" the treaty to fresh negotiation.

Mr Douglas Hurd, the foreign secretary, held a one hour meeting with Mr Uffe Ellemann-Jensen, his Danish opposite number. Mr Hurd spelled out the Community's desire for a basic agreement on the Danish problem at next month's EC summit in Edinburgh.

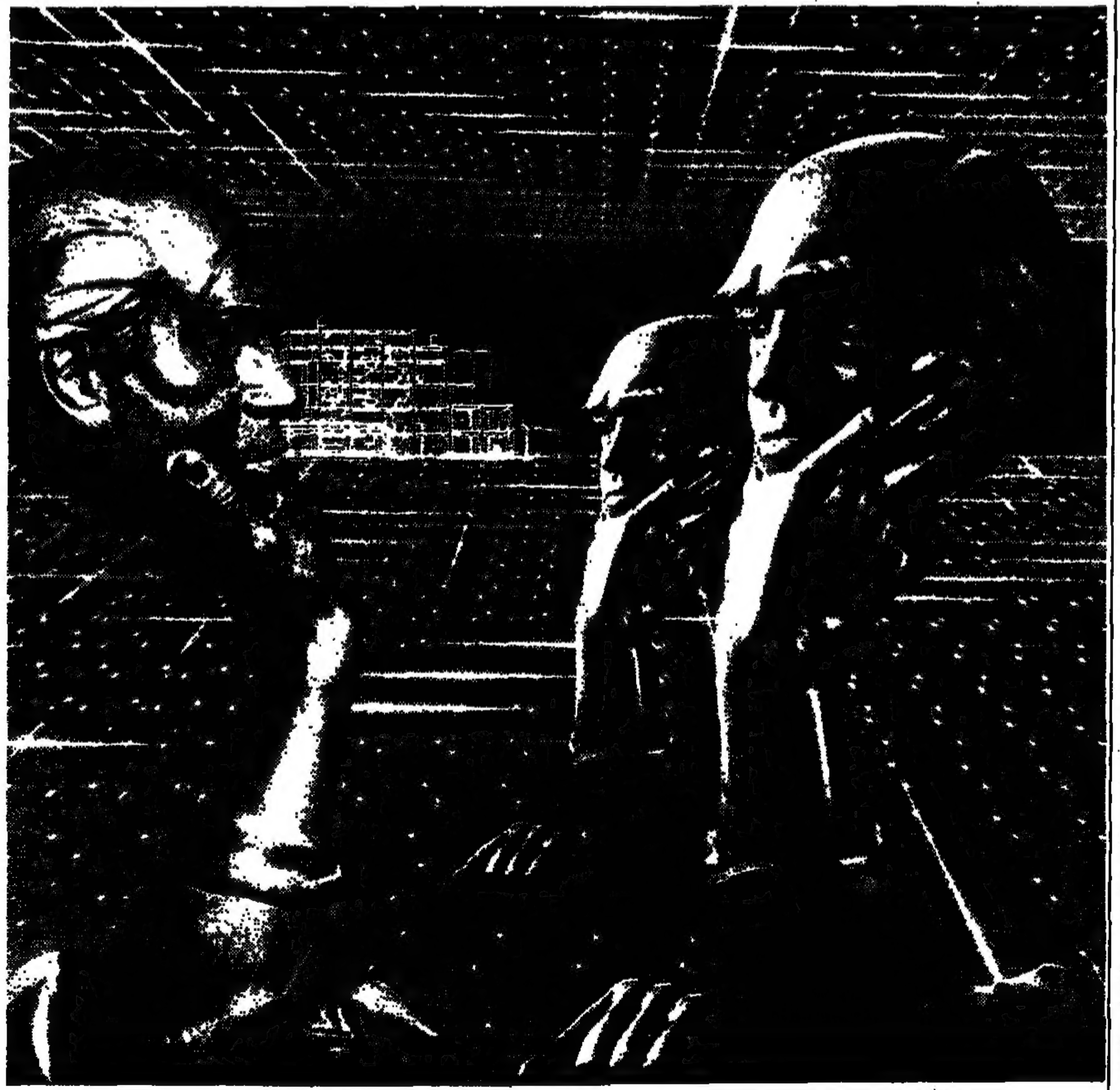
This would allow Denmark to resubmit to the electorate next year a new version of the Maastricht treaty, containing special terms in areas like defence and monetary union designed to meet Danish objections.

Mr Ellemann-Jensen's visit to London yesterday was the first in a series of trips to EC capitals to prepare the groundwork for an accord.

He faces a difficult balancing act, since many Danes believe a compromise palatable to the Danish electorate can only be achieved through renegotiating the treaty - a course the other 11 partners rule out.

Mr Jacques Delors, the Commission president, has already warned that Denmark's push for legally binding changes to the treaty - for instance, through an opt-out from monetary union - would be unacceptable to the rest of the EC.

However, Mr Ellemann-Jensen is sticking to his desire for a delicate compromise.



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France seeks talks on nuclear tests

FRANCE is proposing to launch discussions with the other four big nuclear powers on future policies for weapons testing, writes *David White, Defence Correspondent, in Paris.*

The talks are expected to take place at ambassador level in Geneva. The initiative comes as both France and Russia face decisions on whether to resume underground nuclear tests.

Tests by both countries, as well as by the US and Britain, are currently subject to a temporary freeze as a result of separate national decisions. France followed Russia by announcing a one-year moratorium in April. A recent US bill, reluctantly signed into law by President George Bush, brought in a nine-month freeze followed by a restricted programme of tests over the following three years.

After then, as the law now stands, there would be a complete ban on underground nuclear explosions in the US unless tests are carried out by other nuclear powers (understood to mean principally Russia).

The US curbs are also binding on Britain, which relies on facilities in the Nevada desert to test its nuclear warheads. None of the western nuclear powers favours a complete ban on testing. Defence chiefs of both the US and Britain have continued to argue that tests are needed to ensure the safety and reliability of nuclear weapons.

France also wants to bring China into the discussions. Senior French officials said the initiative was aimed at a "reflection" on testing policies in the light of overall security concerns.

Italy found wanting on aid

Rome's Third World policy is under scrutiny, writes **Robert Graham**

INVESTIGATIONS by Rome magistrates into the alleged misuse of Italian contracts to supply food aid to impoverished Albania have thrown the spotlight on the whole issue of Italy's foreign assistance programme.

Magistrates disclosed last month that they were acting on complaints from Italian deputies that food supply contracts had been put out to uncompetitive private tender and had then been improperly distributed inside Albania. Last September, Italy stepped in to assist Albania with a large programme of emergency assistance that included 125,000 tonnes of food to carry the country through the winter.

As a sign of concern over the allegations, President Oscar Luigi Scalfaro postponed a visit to Albania last week.

Rome magistrates have indicated they intend to spread their investigations widely.

The taboo of investigating state institutions was broken earlier this year by Milan magistrates examining illegal payments to political parties in return for being granted public works contracts.

Deputies and subsequent newspaper articles have alleged this was merely the latest of a string of abuses of Italy's foreign aid. Other countries singled out include war-torn Somalia and Mozambique. This week, the police took away documents concerning Italy's foreign aid, understood to relate to Bangladesh.

The investigation coincides with severe budgetary constraints on aid transfers and a more general scrutiny of both the nature and quality of Italy's foreign aid programme. The main complaint is that aid has been poorly focused and inefficiently co-ordinated; while the public accounts office has warned there is insufficient monitoring of programmes. Already there are signs that Mr Emilio Colombo, the foreign minister since August, is seeking to exercise more direct control over the directorate for co-operation and development, which is responsible for foreign aid.

It was only during the 1980s that Italian aid flows began to match those of its main industrialised partners. In the period 1979-1989, Italy's foreign aid programme enjoyed a decade of continuous real increases, rising on average at 10 per cent a year. This was one of the highest rates among the industrialised countries, lifting Italian aid to $3.6bn (£2.3bn) a year. As a percentage of GDP, aid flows rose from 0.13 per cent to 0.42 per cent, close to that of France.

Since then there has been a gradual decline, falling back to about 0.32 per cent of GDP and the 1993 budget is proposing to lop off a further L1,500bn (£691m). Such a rapid rise, after a relatively late start, was closely linked to expanding Italian trade. Essentially, aid has been been used as a tool to obtain overseas contracts for Italian companies rather than assist the development of countries. A study just completed by IRI, the state holding company, shows that of all the industrialised countries, Italian aid is the most tied – mainly in the form of soft credits to assist import finance for Italian goods and services. Although the short-term returns have been often high for individual companies, there has been insufficient impact on either the development process or in terms of a positive spill-over effect on the rest of Italian industry.

Such heavy emphasis on tied aid is becoming out of tune with the accelerating internationalisation of world trade and the IRI study suggests future policy should be oriented less towards aiding projects and more to helping programmes. In this way the aid process would link both donor and receiver into a longer term relationship, especially helping developing countries to become more familiar with Italian know-how and technology.

According to the study, Italian aid should focus more on programmes which stimulate financial flows into receiver countries. It also says more attention should be devoted to technical co-operation, one of the hardest but ultimately most productive aspects of aid. Aid should be less exclusively bilateral and much more multilateral – both within the context of EC initiatives and international financial institutions. In the past bilateral aid has been as high as 73 per cent of the total; but is now below 60 per cent.

The IRI study argues too much of Italian aid has been "concentrated geographically, in sub-Saharan Africa".

This applies especially to grant aid in foodstuffs which covers more than a third of all assistance. In the five-year period, 1986-90, an average of 69 per cent of all grant aid went to African countries.

The sub-Saharan emphasis reflects former colonial links with Ethiopia and Somalia; and the IRI study points out the latter countries have not only received the greatest single quantities but have been the biggest failures.

After the case of Albania, magistrates have also hinted they may turn their attention to alleged abuses in Somalia.

The number of unemployed in Italy has reached 2.66m, equivalent to 11 per cent of the active workforce, according to the latest quarterly figures published by Istat, the national statistics office, writes Robert Graham.

This compares with a 10.5 per cent jobless rate 12 months ago. However, the figures cover the year to last July, and union officials believe the number of jobless has accelerated this autumn. As many as 71 per cent of the unemployed are aged 29 and below, mostly first-time job seekers.

This confirms the reluctance of employers to take on new labour in the recession and while employment laws remain so rigid. Meanwhile, industry shed 148,000 in the same period. Among the worst affected areas are Lombardy and Piedmont, Italy's industrial heartland.

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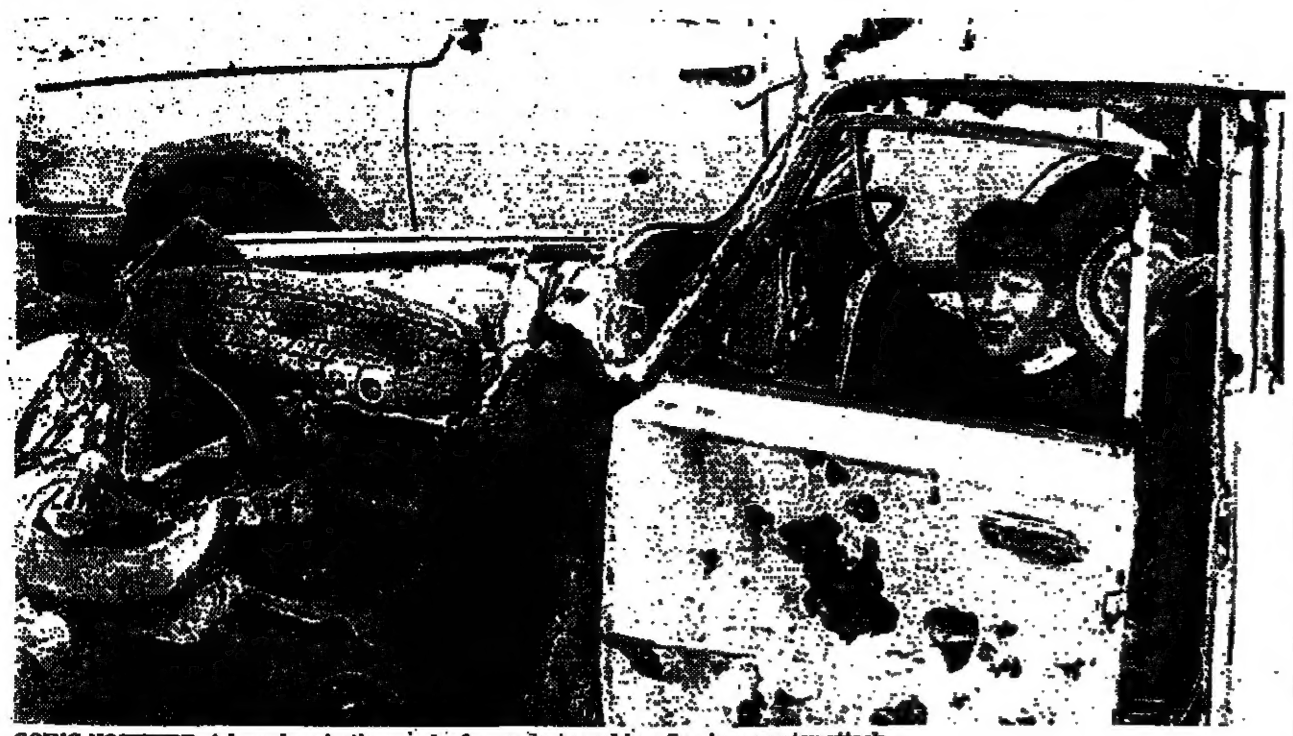

GOING NOWHERE. A boy plays in the wreck of a car destroyed in a Sarajevo mortar attack

Panic survives no-confidence vote

By Laura Silber and Frances Williams in Geneva

YUGOSLAVIA'S prime minister, Mr Milan Panic, yesterday narrowly survived a no-confidence vote in the upper house of the federal parliament.

The attempt by followers of President Slobodan Milosevic of Serbia to oust Mr Panic failed after the vote of 18 to 17 in the 42-member house, which is divided between deputies from Serbia and Montenegro.

Montenegro, the other member of the reconstituted Yugoslav federation, has supported Mr Panic and Mr Dobrica Cosic, the president of Yugoslavia.

Since nominating Mr Panic as prime minister in June, Mr Milosevic has orchestrated a campaign to oust him. Mr Panic and Mr Cosic have pledged to democratise Serbia and stop the war in Bosnia. They have also called on the Serbian president to resign.

Mr Panic lost a no-confidence motion in the lower house of parliament on Monday. The lower house is dominated by Serbia's ruling Socialists and their ultra-nationalist allies, who accused the federal leaders of treachery and serving foreign interests. Mr Panic survived another no-confidence vote in September.

Meanwhile, the future of the Bosnian peace negotiations in Geneva remained uncertain following Monday's decision by the "parliament" of the self-declared Serbian Republic of Bosnia to withdraw from the talks unless the republic was formally recognised by the international mediators, Mr Cyrus Vance and Lord Owen.

Diplomats said they did not expect a unilateral Serb walkout from the negotiations. They noted the parliament's decision said constitutional proposals made by the international mediators for a decentralised state with 7-10 autonomous regions were unacceptable as "the sole basis" of negotiation.

Mr Nikola Koljevic, head of the Bosnian Serb delegation in Geneva, yesterday handed Mr Vance a copy of the decision, and Mr Vance was due to see the Bosnian Serb leader, Mr Radovan Karadzic, last night.

● Elsewhere, Croatia yesterday refused to grant sanctuary to thousands of refugees fleeing Jajce, a town in central Bosnia seized by Serb forces on Friday. Croatia is already sheltering over 600,000 refugees.

Owen claims wide acceptance of Bosnia proposals

By Robert Mauthner, Diplomatic Editor

THE constitutional proposals for Bosnia and Hercegovina made by Mr Cyrus Vance and Lord Owen, the United Nations and European Community peace negotiators, have had a far wider acceptance than has so far been recognised, the latter said in London yesterday.

Lord Owen, who was addressing the annual dinner of Britain's Diplomatic Writers' Association, was speaking only a day after some of Bosnia's Serbian leaders announced they were pulling out of the international peace talks in Geneva.

They were reported to be withdrawing from the talks until their "basic demand" for an ethnic division of Bosnia was met. Lord Owen, however, claimed that no-one had openly challenged the "extremely strong human rights safeguards" or the rigorous procedures whereby ethnic cleansing could be reversed, "over the years", by individuals wishing to return to their homes in Bosnia-Hercegovina.

"On the fundamental point of the need for more than three provinces, not just a three-way split between Moslem, Serb and Croat, it seems to have passed unnoticed that we have won the support of the key Moslem and Croat decision-makers," Lord Owen said. Under the Vance-Owen proposals, Bosnia would be divided into 7-10 units along economic, rather than ethnic lines.

The Croats, for instance, believed that there was a natural case for a separate province encompassing Bosanki Brod, in Posavina, which was not linked geographically to a province in West Hercegovina, Lord Owen said. In this context, he stressed that there was no evidence to support the claim that the Bosnian Serbs had forced their way into Bosanki Brod as a result of a secret deal with the Croats.

Lord Owen said that, given the views of some of the Bosnian Serb leaders, it had come as no surprise that they had rejected the peace negotiators' proposals "at this stage." No more naked challenge to the authority of the international community could be found than the statement by the head of the Bosnian Serb army, General Ratko Mladic, who had said that his army and the Serb republic was a fact. "Whether the world wants to recognise it or not is their affair," the general had added.

But that was a challenge which the world would not shirk, Lord Owen said. The principles adopted by last summer's London peace conference on Yugoslavia were not just "Boy Scout" maxims; they were based on *realpolitik*. "It is not just morally wrong to tolerate ethnic cleansing and territorial aggrandisement, but it is against our vital interests. To abandon those principles would weaken us all when dealing with the problems created by the collapse of the Soviet Union." Moreover, the Islamic world would hold a justified grievance against the world, and particularly Europe, for centuries ahead, if it acquiesced in the Moslems being driven out of their homes and living as a beleaguered people forever.

End of drink ration cheers the Faroese

THE inhabitants of the rugged Faroe Islands in the North Atlantic are getting their first taste of unrationed, over-the-counter alcohol after the lifting of a Draconian 85-year-old drinks law, Reuter reports from Copenhagen.

Until this week, each Faroese had to order liquor and wine from Denmark, subject to individual rationing, and delivery would take place between eight and 10 days later. Now, with the opening on Monday of the islands' first liquor, wine and beer store, the waiting is over.

About 1,000 of the islands' 47,000 inhabitants lined up for the inauguration of the monopoly store in the capital, Torshavn, to experience for the first time what it is like to buy alcoholic drinks over the counter.

Before the law was lifted, the ration was 12 bottles of liquor from Denmark every three months. Beer could be bought from local breweries, but had to be ordered a day in advance.

Politicians on the Faroes, a self-governing Danish province, believe the change will lead to a more moderate and relaxed drinking culture.

The original law was introduced to combat a serious drinks problem on the islands, but people effectively circumvented it by ordering their maximum rations to be on the safe side.

Mixed reception for compromise over animal trials

EC tightens cosmetic test rules

By Andrew Hill in Brussels

COSMETICS manufacturers in the European Community will be banned from testing their products on animals from January 1, 1998, ministers agreed yesterday – but only if alternative testing methods have been developed.

The accord was welcomed by the industry as a sensible compromise, but immediately attacked by European animal rights campaigners for not going far enough.

Mr Chris Fisher of the British Union for the Abolition of Vivisection said: "The council's decision is a cruel deception: it looks like a ban, but it is not."

The European parliament added proposals for a total ban to a more general directive on the free movement of cosmetics in June.

Before yesterday's meeting of consumer affairs ministers, only Denmark and Germany supported the amendment. Other countries seemed worried that a ban might disadvantage companies competing against non-EC manufacturers not subject to a ban, or exporting to countries which insist on animal testing.

But ministers yesterday rallied round the compromise proposed by Britain, which holds the EC presidency. Under this, the Commission would take the advice of a technical committee and could propose an extension of the deadline by at least two years if acceptable alternative testing methods had not been developed before January 1, 1997.

The directive is quite narrowly drawn. It applies only to cosmetics, not to pharmaceuticals in general, and it would not restrict imports from non-EC countries of products tested on animals. But Mr Karel Van Miert, consumer affairs commissioner, hailed the compromise as the first step towards a wider ban on animal testing, which he hoped would be taken up beyond the Community.

"Cosmetics is only a tiny fraction [of the pharmaceuticals market], but I think this will have spillover effect elsewhere," he said yesterday.

Mr Robert Vanhove, secretary general of Colipa, the European cosmetics industry federation, said he was sure that the industry would have developed alternatives to animal testing for eye and skin irritation by the 1998 deadline. Alternatives to less important tests could take 10 or 20 years to develop, he added.

Brussels probes BA's Tat deal

BRITISH AIRWAYS' plan to buy just under 50 per cent of the French regional airline Transport Aérien Transrégional (Tat) is being investigated by the European Commission, write Andrew Hill in Brussels and Daniel Green in London.

Brussels' competition authorities have decided that the deal, part of the British carrier's strategy to create a global airline, falls under its merger control rules. BA called the decision "routine"; it had notified the Commission's merger task force on October 23 and had been expecting the announcement.

British Airways, which will spend £17.25m on the 49.9 per cent stake in Tat, still expects the deal to be completed by January. It will also acquire an option to buy the rest of the airline by April 1, 1997.

However, if the Commission decides after a month that it has "serious doubts" about the effects of the deal on competition in the Community it will launch a four-month in-depth inquiry. If it is still dissatisfied at the end of that period, it could block the deal or ask for it to be amended.

A Commission decision to clear the BA/Tat deal would almost certainly irritate Air France, the state-owned French airline. Brussels last year forced Air France to sell its 35 per cent stake in Tat when it took over UTA, the French long-haul carrier, and Air Inter, the French domestic airline.

Five days ago, the Commission decided that BA's proposed rescue of Dan-Air, the troubled Gatwick-based UK carrier, did not meet the criteria for investigation by Brussels, saying Dan-Air's EC turnover was too small. The British government has also decided not to refer the Dan-Air deal to the Monopolies and Mergers Commission. However, four rival British carriers have lodged a complaint with Brussels under separate EC treaty rules.

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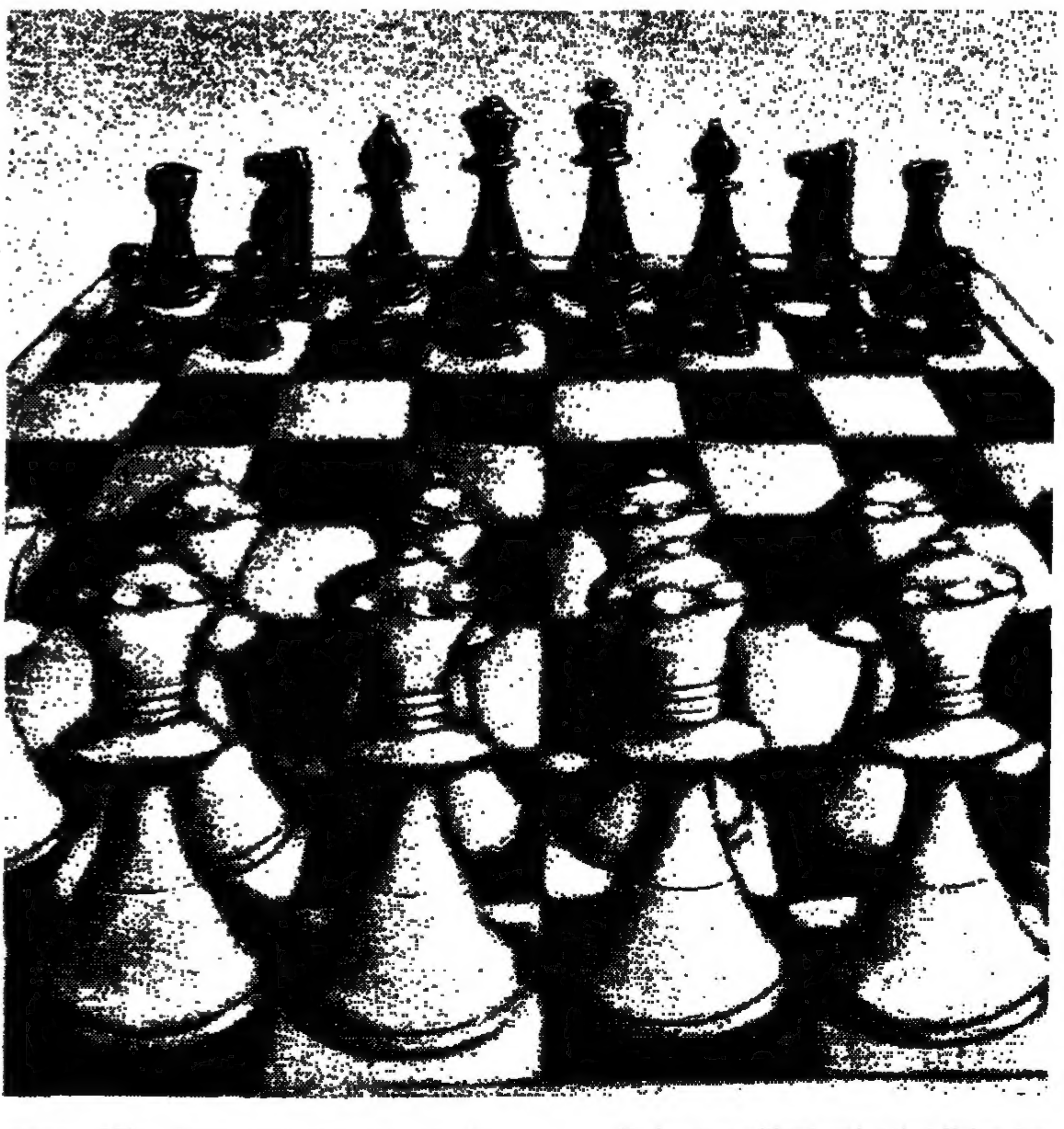

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Moscow tries to reassure Baltic states

By John Lloyd in Tallinn

MR Vitaly Churkin, the Russian deputy foreign minister, yesterday sought to reassure leaders of the Baltic states that President Boris Yeltsin's decision to suspend Russian troop withdrawals did not mean a fundamental change in policy. Moscow's intention of pulling out "has never been questioned," he told Estonian leaders yesterday.

Mr Yeltsin's action has been seen as a protest against the way Estonia, Latvia and Lithuania have deprived many ethnic Russians of the vote by insisting on residential, linguistic and other voting qualifications designed to favour the indigenous population.

His decree set alarm bells ringing in the Baltic states and caused widespread concern in the west with Nato urging the Russians to continue withdrawal by 1993 as originally agreed. Senior US officials warned the pace of withdrawals would be seen as a litmus test of Russia's good intentions generally.

Yesterday Mr Lennart Meri, the Estonian president, said in an interview he had been reassured in talks with Mr Churkin that Russia would not pursue any linkage between human rights extended to its 500,000 strong Russian-speaking population and the withdrawal of Russian troops.

Russia, which had 30,000 troops in Estonia at the end of 1991, has in the past year reduced the force to 11,000. However, most of those who left were conscripts, leaving behind officers increasingly resistant to moving – and putting pressure on Moscow to delay their departure.

The new Estonian government is anxious not to increase Mr Yeltsin's domestic political problems. Mr Trivimi Velliste, the Estonian foreign minister, said in an interview the "Yeltsin government is the best Russian government we are ever likely to have".

The Estonian soft diplomatic line comes after months during which relations between the 1.6m strong state and its giant Russian neighbour had grown increasingly tense.

Mr Meri said Mr Yeltsin's move to centralise negotiations with the three Baltic states under the presidential security council directed by Mr Yuri Skokov was a sign that Mr Yeltsin is "making a settlement of the Baltic question a matter of his own prestige".

Ukraine may turn to six new N-reactors

By Chrystia Freeland in Kiev

UKRAINE might bring six new nuclear reactors into operation as a partial solution to the Slav republic's mounting energy crisis and to combat dependence on increasingly expensive Russian oil.

Mr Hryhory Hotovchets, the minister responsible for the Chernobyl clean up, said yesterday that although the Chernobyl nuclear power station will be closed down on schedule next year, six new reactors could be brought on line. A moratorium on the construction of the six unfinished reactors was declared by parliament just last year.

"Ukraine cannot manage without nuclear power, any more than many other countries," said Mr Hotovchets.

Ukraine's 14 operating nuclear reactors already provide up to 40 per cent of the country's energy supply.

Turkey suffers interest rate blow

By John Murray Brown in Ankara

A 5 per cent interest rate rise by Turkey's largest state-owned bank has dealt another blow to the anti-inflation policy of Mrs Tansu Ciller, the treasury minister.

The interest rate hike by Ziraat Bank, the state agricultural credit bank, is likely to intensify competition for funds and raise the cost of the government's own borrowing at the weekly treasury auction.

Lowering interest rates has been a central plank of Mrs Ciller's strategy to reduce the government's internal debt servicing – the largest budgetary item accounting for 20 per cent of expenditure.

The financing of the public sector borrowing requirement – the budget together with the deficits of the state sector enterprises – is largely responsible for the 67 per cent inflation rate. In 1991 the PSBR rose to a record 12.5 per cent of GNP.

Mrs Ciller's interest rate policy has brought her into conflict with Mr Rusdu Saracoglu, the central bank governor.

Her earlier moves to increase liquidity as a way of exerting downward pressure on rates, briefly threatened the lira, before the central bank intervened, selling dollars to the market – an operation which cost the bank $2.3bn in the first six months of 1992.

Mrs Ciller was also criticised for resorting to the bank to pay civil servants and other treasury expenditures. The legal ceiling on the central bank cheap lending to the treasury has now been reached, leaving Mrs Ciller with little option but to see the state banks raise interest rates to attract depositors.

Ziraat's move, although seen as government inspired, also reflects the special problems of the bank which has been hit by a series of natural disasters like the Erzincan earthquake earlier this year, where it has had to reschedule credits.

Jörg Haider (left) is calling for a halt to immigration to keep out refugees like those from the former communist nations of eastern Europe (right)

Haider plays xenophobic card in Austria

Right-wing party leader takes a hard line on foreigners, reports **Eric Frey**

MR Jörg Haider has Austria's political establishment running scared. The charismatic leader of the right-wing Freedom Party (FPO) is calling for a drastic change in Austria's policy toward foreigners and has set the government an ultimatum to accept a 12 point-programme on tougher immigration rules by November 15.

If the Social Democratic Party and the conservative People's Party, the two members of the ruling coalition, do not submit, Mr Haider is threatening a nationwide petition drive.

Representatives of all other parties, the big newspapers and the Catholic church have rejected his initiative and accuse him of inciting hatred and violence against foreigners.

"In contrast to Germany, our arsonists are not standing on the street, but are sitting in parliament," said Ms Madeleine Petrovic, the parliamentary leader of the Greens.

Mr Haider's 12 points include some measures the government claims are standard practice, such as the deportation of alien criminals, while others are policies that could not or should not be instituted, critics say.

Mr Haider is calling for the halt of all immigration until the problem of illegal aliens in the country has been solved "in a satisfactory way". He also wants an amendment to the constitution specifying that Austria is "not an immigrant country". Both of these would violate international conventions and the rules of the European Economic Area treaty, which Austria signed earlier this year.

Another proposal to limit the number of foreign students in any school class to 30 per cent could be achieved only by US style bussing in parts of Vienna with a high share of foreign residents. It would also affect thousands of children born in the country who have German as their mother tongue and are no different from Austrian children.

Still, observers say the Freedom Party could collect as many as 1m votes, out of a population of 7m, feeding on the growing xenophobic sentiments in the country.

Austrian law does not require the government to hold a referendum because of a petition. But a successful drive would put the two ruling parties on the spot. If they dismissed the initiative, they would open themselves to charges of ignoring the people's will. If they adopted any of the proposals, Mr Haider could claim a great political victory.

Austria has not experienced the kind of right-wing violence against refugees seen in neighbouring Germany. But the influx of thousands of people from Eastern Europe and former Yugoslavia seeking asylum and work – 50,000 from Bosnia alone – has brought the question to the top of the political agenda.

In a recent poll, 79 per cent said they do not want new immigrants. In the latest sign Austria is not immune to growing intolerance and racism in Europe, 80 graves were defiled in a Jewish cemetery in the town of Eisenstadt south-east of Vienna last Sunday.

The populist Mr Haider has used real every-day problems and vague fears in the population for his political purposes and has made inroads into the other parties' voting blocs by appealing to xenophobia and racism. Last November, the Freedom Party achieved 23 per cent in communal elections in Vienna after campaigning on an anti-foreigner platform.

This latest initiative comes at a time when the party's rise in the national polls has levelled off at about 17 per cent. Unwilling to stand still, Mr Haider is using the petition to step up his offensive against the ruling parties.

In an effort to pre-empt him both the Social Democrats and the People's Party have shifted to the right on immigration issues. New laws were passed last summer to restrict the number of asylum seekers and foreign workers. Mr Erhard Busek, FPO chairman, last month demanded the deportation of thousands of illegal aliens.

Mr Haider has even received support from Mr Helmut Schüller, director of the Catholic charity Caritas and a leading advocate of a liberal immigration policy.

Other leading church representatives quickly distanced themselves from Mr Schüller.

As always when he makes controversial outbursts, Mr Haider faces some dissent within his own party, although the number of credible opponents is small following a number of resignations and one sacking in the past year.

Ms Heide Schmidt, a ranking FPO member of parliament and her party's presidential candidate last spring, is the most important remaining critic, but she has been pressured to withdraw her opposition to Mr Haider's latest campaign.

Her likely departure from the party's leadership would remove the last internal resistance to Mr Haider's nationalistic course, but it may cost the party credibility, if not votes.

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BOC Limited hereby give notice, in accordance with the provisions of Part 1 of Schedule 1 to the Pipe-line Act 1962 and the regulation 7(3) of the Electricity and Pipe-line Works (Assessment of Environmental Effects) Regulations 1990, that an application has been made to the Secretary of State for Trade and Industry for the grant of authorisation for construction of a cross-country pipe-line.

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Copies of the map, on which the proposed route of the pipe-line is delineated and which will run with limits of deviation of 200 metres on either side, and the Environmental Statement (which accompanied the application) can be inspected during normal office hours in Room 3.M.1, Department of Trade and Industry, 1 Palace Street, London SW1E 5HE and at the offices of the following local authorities:

Rotherham Metropolitan Borough Council, *Norfolk House, Walker Place, Rotherham, South Yorkshire S60 1QT.*

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D G Pavey, Company Secretary, BOC Limited
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Registered number: 02285768. Nature of business: Mining. Trade classification: 03. Date of appointment of joint administrative receivers: 26 October 1992. Name of person appointing the joint administrative receivers: 3i plc. JOSEPH PATRICK CONSIDINE and RICHARD ANTHONY SMART, Joint Administrative Receivers (Office holder nos 1768 and 2530) Cork Gully, Churchill House, Churchill Way, Cardiff CF1 4XQ.

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Creditors are only entitled to vote if:

(a) they have delivered to us at 188 City Road, London EC1V 2NU, no later than 12.00 hours on the business day before the meeting written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and

(b) there had been lodged with us any proxy which the creditor intends to use on his behalf.

Dated this 30th day of October 1992
V. M. [illegible] and I Jacob, Joint Administrative Receivers.
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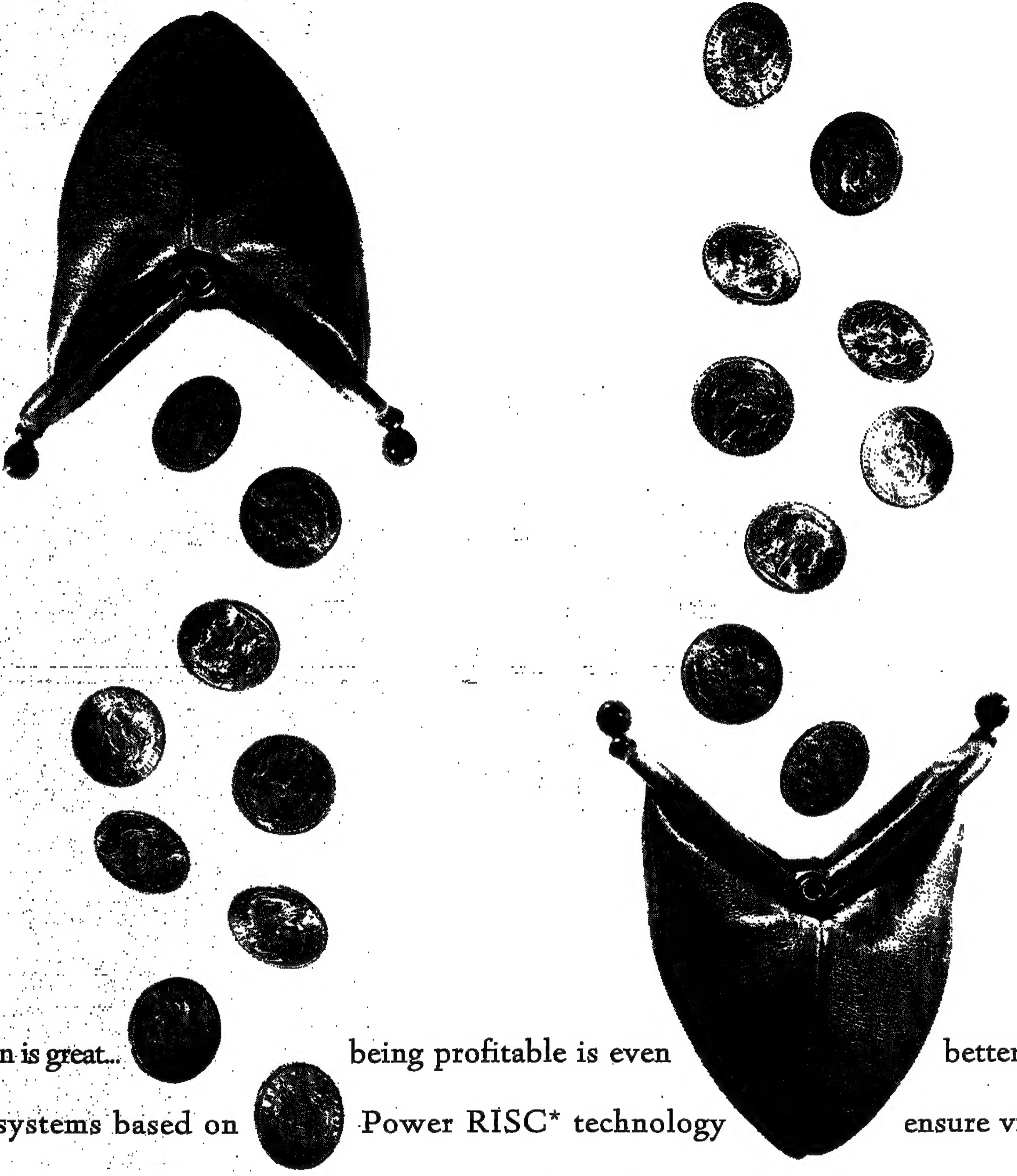

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Markets' mood positive and economic figures better

Wall Street calm as US goes to polls

US financial markets seemed almost unnaturally calm in the approach to yesterday's presidential election. For the markets, President George Bush is a known quantity, while they have also had plenty of time to get used to the idea of a Bill Clinton presidency, write **Michael Prowse in Washington and Patrick Harverson in New York.**

The generally positive mood on Wall Street also reflects the slightly better tone of some recent economic reports. The 3.7 per cent economic growth reported for the third quarter overstated the economy's momentum and appeared to come too late to give President Bush's campaign much of a lift; but it was nevertheless better than expected.

The news this week that the Purchasing Managers Index moved back above 50 per cent last month, thus signalling a mild expansion of manufacturing industry, was also seen as a good omen for the incoming administration.

But economic clouds continued to mar hopes of better times. Figures yesterday showed a 0.3 per cent decline in the official index of leading economic indicators in September, a blow after a decline of similar magnitude in August.

Officials said the index of coincident indicators, designed to measure the current state of the economy, was even weaker and would have fallen 0.8 per cent in September but for distortions caused by Hurricane Andrew.

The behaviour of financial markets in the final weeks of the election campaign has been entirely logical. As polling day neared, share prices and the dollar either held their ground or strengthened, while bond prices weakened steadily.

The traditionally pro-Republican stock markets have approached the possibility of a President Clinton with surprising equanimity. When the Democratic challenger retained his big lead in the polls after the Republican convention in August investors began scrambling to prepare for a Clinton victory. Stocks expected to benefit from higher government spending and stronger growth rose, while stocks likely to suffer from increased government regulation or higher taxes fell. The overall result was mixed and by mid-autumn a Democratic triumph was fully priced into equities.

The Republicans' late surge in the polls at the end of October had little impact on equities. If anything, prices weakened as the market grew more jittery.

The dollar, meanwhile, drew strength from the polls showing a likely Clinton win, because under the Democrats economic growth would be expected to gather pace and interest rates would be expected to rise.

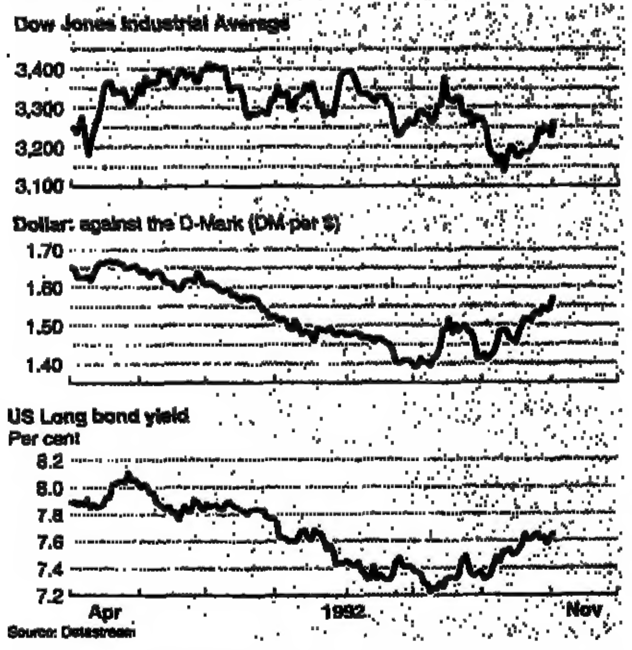
The prospect of higher interest rates under a Clinton presidency, however, partly explains why the bond markets have performed so poorly during the final weeks of the campaign. Many investors in government securities fear that a Democrat-controlled White House and Congress would mean three things: rising interest rates, rising inflation, and a widening budget deficit.

The fears are predicated on an aggressive fiscal stimulus during the first few months of a Clinton presidency.

However, some close advisers to Mr Clinton, such as Mr Robert Shapiro, have repeatedly denied that any fiscal stimulus is planned. "The mood is one of hope," said Mr Stephen Roach, a senior economist at Morgan Stanley, the Wall Street investment bank, on the assumption yesterday that Mr Clinton would win. "Markets are willing to give a new president a chance."

Mr David Resler, chief economist at Nomura Securities, was more cautious. "The stockmarket has yet to come to grips with the rise in long bond yields in recent weeks." Unless the fiscal roots of bond markets fears were addressed by a new Clinton administration, higher long-term rates would impair the recovery next year, he warned.

US markets during the campaign



Source: Datastream

FOR HIS EAR ONLY: Mrs Hillary Clinton has an intimate word for husband Bill in the darkness before dawn, on the campaign trail in Texas

STANDING BY HER MAN: Mrs Margot Perot smiles beside husband Ross

TENDER IS THE MIGHTY: George Bush plants a kiss on wife Barbara

It's just too much for Little Rock

Nancy Dunne visits the capital of Arkansas, where some are busier in the Clinton cause than others

EXCITED crowds of Arkansans and tourists yesterday descended on a 16-block area cordoned off in downtown Little Rock for a giant America's Watch Party and to celebrate what could be an historic shift in US politics.

Governor Bill Clinton's final punishing 28-hour plunge through eight states, in his drive to win the US presidency, was matched in the Clinton-Gore headquarters building in the Arkansas state capital. Red-eyed and weary, the 400 senior officials supervised a massive turn-out-the-vote effort.

Some 12m telephone calls were made to voters in the last hours of the campaign: 250,000 workers were organised to bring voters to the polls.

Ms Betsey Wright, deputy chair of the Clinton campaign, said plans were under way to extend this effort to give US voters a role in the transition to a new government through "a modern communications mechanism" to be used if Mr Clinton proved victorious. Clinton staff have talked of establishing a special toll-free telephone number to allow citizens to express "those ideas that have been stifled across the country".

Ms Wright expressed intense bitterness about President George Bush's criticism of Arkansas during the campaign and said it was unprecedented for a sitting president to attack a state. The president had opined that Mr Clinton was "the failed governor of a small state".

"There are 17 states smaller than us. It is the kind of divisiveness we have seen out of this White House. Our star on the American flag is the same size and the same brilliance as of 50 stars."

Ms Wright, who served as the governor's chief-of-staff in Arkansas, said she had found "personally difficult" the criticism of his character: "I know him better than most people. To hear someone attack his character – when he is just fundamentally an honest, good, and caring human being – was very painful."

Many Little Rock people seemed stunned by the visiting hordes. Many expressed indifference to Mr Clinton and talked about his tax increases. Some said they hoped he would win so that Arkansas could get a new governor.

"Bill Clinton is much more unpopular in Little Rock than he is outside outside the city," said Mr Marc Ginsberg, the governor's deputy press secretary. "Little Rock is an island unto itself. There is an historical relationship of hostility between the city and the rest of the state. It is sort of like the Paris to the rest of France."

However, at Hot Springs, 55 miles from Little Rock, there were few indications of popular support for the governor. One sign proudly proclaimed Hot Springs "Bill Clinton's Home Town." Another sign along the highway exhorted: "Christians vote God's heart, not your pocket book."

Back in the Paris of Arkansas, outside the centre set up for the media, crowds of tourists listened to blaring jazz and rock music. Visiting dignitaries and wealthy contributors were checking in to the luxury downtown hotels. Shops did a brisk business in campaign buttons, balloons and T-shirts.

Turmoil reigned outside the nearby Clinton-Gore headquarters. Several Hawaiians were photographed holding up a banner proclaiming their state's support for Mr Clinton. An open-top convertible with a Bush-Quayle sign, drove by honking.

Mr Rodolfo Macias Cabrera, self-proclaimed "provisional president of Mexico", was in his 28th day of a hunger strike in front of the headquarters. He said the Mexican constitution allowed the formation of a provisional government when an election had been by fraud. Opponents of President Carlos Salinas set up the self-styled government after the 1988 elections.

Mr Macias was urging Mr Clinton to oppose a North American Free Trade Agreement with what he calls Mexico's illegal government.

Inside the headquarters, tourists were reading letters from small children to Mr Clinton. One demanded to know if he would raise taxes.

A seven-year-old girl said he had won her backing, not because her parents supported him, but because "I think you will make a better tomorrow and I think you would be for women's rights."

CAMPAIGN SOUNDBITES

My dog Millie knows more about foreign policy than these two bozos
-
George Bush

Bozo makes people laugh and Bush makes people cry. America's going to be laughing on Tuesday
-
Bill Clinton

It must have been Millie that taught him to roll over and play dead.
-
Al Gore

Bill Clinton has a credibility problem
-
Dan Quayle

Annoy the media – re-elect Bush
-
Bumper sticker

I'd like to thank you all for this tremendous recession
-
George Bush

It's good to see a Democrat blowing something other than the election
-
Arsenio Hall after Clinton had played saxophone on his show

When Bill Clinton is playing that tax-ophone, middle-class Americans will be singing the blues
-
George Bush

I'm not sitting here like some little woman standing by her man like Tammy Wynette
-
Hillary Clinton on a TV show about their marriage

I tried, but I couldn't inhale
-
Bill Clinton on his drug experiences while a student at Oxford

I have concluded that we cannot win in November
-
Ross Perot withdrawing in July

We'll landslide this thing if the people vote their conscience
-
Ross Perot at final rally on Monday night

But how has the recession affected you personally?
-
Audience member to George Bush during second debate

Who am I? Why am I here?
-
James Stockdale, Perot's running mate

I am sick and tired of you questioning my integrity.
-
Perot on the press

I don't like those paid talking heads who write me off.
-
Bush on the press

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FT SURVEYS

An island pulled up by a Bootstrap

Incentives which enriched Puerto Rico remain vital, reports **Canute James**

VISITORS recently to the offices of Fomento, Puerto Rico's economic development agency, were greeted by an exhibition of photographs depicting aspects of the island's economy. Some photos, which record scenes in factories and fields in the early 1940s, were mounted beside others showing more recent economic undertakings.

Even the most cursory look at the exhibition forcefully made the point. Fifty years ago this year, Puerto Rico, impoverished and backward – the poorhouse of the Caribbean, says official literature – took a giant step forward. The result today is one of the more industrialised economies in the Americas. The spark was Operation Bootstrap, a web of incentives which have lured big companies to establish plants on the island.

"Puerto Rico today without Bootstrap would be terrible," said Mr Alfredo Salazar, administrator of Fomento. "We would still be struggling with agriculture alone, and would still be facing the hopelessness of the 1940s. This would have been an empty island as most of the population would have left."

The change has been, by any standard, dramatic and significant. Per capita income has risen from $120 in 1942 to $6,500, while GNP has grown from $287m to $17bn. Agriculture, which contributed 23 per cent of GDP in 1942, now accounts for 1 per cent and has been replaced as the backbone of the economy by manufacturing, with the number of industrial plants growing from about 50 in 1942 to 2,000 today, employing 155,000 Puerto Ricans, against 15,000 50 years ago.

The volume of trade has grown from $2bn to $35bn. Puerto Ricans are now expected to live 74 years, 30 years longer than in the 1940s. Companies drawn to Puerto Rico gained not only from a tax holiday, but from the fact that the island, as a US possession, offered political stability, low wages and relative proximity to the mainland market.

But Puerto Rico found itself losing business to competitors in south-east Asia and in the mid-1970s obtained further advantages under Section 936 of the US Revenue Code which encouraged mainland companies with subsidiaries on the island to deposit their profits in local banks. These deposits, of about $15bn, have become a pillar of the island's financial stability.

Puerto Rico's Caribbean neighbours, overtaken by economic and social problems, sometimes look with more than passing envy at the results of Operation Bootstrap. It is clear, however, that the Puerto Rican experiment and its seeming success cannot be emulated.

Puerto Ricans are US citizens but cannot vote for a president. The island's representation in Washington is limited to a commissioner who has no vote to influence legislation.

"There are lessons in Puerto Rico for other Caribbean and developing countries, although there are few parallels," concludes Mr Pat Thompson, executive director of the Caribbean Association of Industry and Commerce, an umbrella for the region's private sector.

Puerto Rico's position as a part of the US is similar to that of French overseas departments such as Martinique and Guadeloupe, and allows for assistance which others cannot get. "The lessons for us from Puerto Rico are in the organisation and management of finance, and in negotiations with major companies and industrial sectors for joint venture industrial projects," says Mr Thompson.

It is clear, however, that what Puerto Rico is today is more than the work of Operation Bootstrap and the incentives contained in special arrangements such as Section 936. Despite its giant leap over the past 50 years, the island is still the least affluent part of the US. The average income of Puerto Ricans is a third of that of mainland residents.

The economy is underpinned by federal transfers of about $4bn per year under programmes such as those for medical aid and food stamps. The island also receives hundreds of millions of dollars from rebates of federal excise taxes and duties collected on exports such as rum.

Citizenship of the US has also facilitated easy migration to the mainland. Mr Salazar says that while 3.5m Puerto Ricans live on the island, another 2.5m are on the mainland. This is an obvious safety valve against social pressures, without which unemployment in Puerto Rico would be worse than the current 17 per cent.

The fruits of Operation Bootstrap have helped Puerto Ricans answer some of the questions about their political future. They know what they do not want. Advocates of political independence have always been placed a distant third when votes are taken on political status. Economic and political problems in some neighbouring islands appear a powerful argument against casting adrift from the US. The argument is mainly between remaining the same or becoming a state of the union.

Deficit and politics sway Cavallo's fiscal resolve

John Barham examines supportive measures for Argentine industry

THE prospect of Argentina's first trade deficit since 1981, the threat of recession and the political priorities of President Carlos Menem have forced Mr Domingo Cavallo, the Economy Minister, to backtrack on his promise to apply the full discipline of the market on Argentina's unruly economy.

Last week he agreed to industry's demands for additional support for exports and increased protection from imports, notably from Brazil. His measures also aim to avoid recession in 1993, an election year. The measures, which amount to an indirect 5-10 per cent devaluation of the peso became inevitable as Argentina's currency became increasingly overvalued.

Mr Cavallo has eliminated a fuel tax and broadened tax rebates for exporters, a boost worth about $1.1bn a year. He reduced the highest import tariff from 35 per cent to 20 per cent and maintained a zero tariff for some capital goods while raising tariffs for many intermediate industrial products. He "temporarily" raised to 10 per cent a previous 3 per cent statistics tax on nearly all imports.

This has the virtue of offsetting preferential tariffs on Brazilian imports. Taxes are not affected by the 1991 treaty creating the Mercosur common market between Argentina, Brazil, Paraguay and Uruguay, which is gradually lowering tariffs.

Industry's cries for help to stem a mounting trade deficit with Brazil – which is expected to exceed $1bn this year – were the catalyst for last week's package.

Mr Manuel Herrera, secretary of the Argentine Industrial Union which represents manufacturers, says: "Twenty per cent of Brazil's output is equivalent to all our output. They are selling products at artificial prices here that they cannot sell in other markets."

Alarm over Brazil is now acute. Officials say that economic chaos there makes the December 1994 deadline for full integration increasingly improbable.

Many Argentines want to scrap Mercosur and opt instead for rapid association with the North American Free Trade Agreement. But US officials warn Argentina has no chance of joining Nafta soon and urge perseverence with Mercosur.

Mr Cavallo is confident of eliminating Argentina's trade gap in 1993. This year's deficit is estimated at between $1bn and $2bn, against 1991's $3.87bn surplus. This is because imports are up 60 per cent over last year while exports remain steady at about $12.0bn.

Exports, which represent only 8 per cent of GDP, clearly need encouragement and industrial exports need special attention. The share of manufacturers in Argentina's exports has declined every year since Mr Menem took office in 1989. Farm goods and raw materials now account for two-thirds of exports.

However, Mr Cavallo has previously said that a trade deficit was no reason for concern. After the peso became fully convertible and was pegged to the dollar in April 1991, the theory was that prices and productivity would converge at world levels. Divergences would be automatically corrected by recession.

Mr Cavallo has made great headway in trade liberalisation, privatisation and deregulation, but he has not tamed inflation. Retail prices have risen by over 40 per cent since April 1991, relentlessly increasing pressure on the exchange rate and making recession inevitable.

But Mr Menem's political agenda allows no room for a bruising recession. He wants his Peronist party to sweep the 1993 congressional mid-term elections and forge ahead with his controversial bid to amend the constitution to allow him to stand for re-election in 1995.

Initially, economic reform boosted the government's popularity by driving inflation down to between 1 and 1.5 per cent a month and unleashing a consumer boom. But the spending cuts, unemployment and brutal shakeouts now required are not popular anywhere.

Pessimists will say last week's decisions are depressingly familiar. Argentina's governments have a tradition of embarking on impressive reform, only to retreat when the going gets tough.

Mr Cavallo says he is only fine-tuning the economy and has reaffirmed his commitment to fiscal rectitude and liberalisation. He says his new package, plus a previous round of deregulation and cost-cutting, will boost productivity by between 16 and 21 per cent.

However, the changes ease the pressure on industry to perform. An American trade analyst says: "Companies must instill a new kind of management. They have to become stingy penny-pinchers and fight harder for markets. But they've learnt – and they're being proved right again – that it's easier to lobby for rule changes and devaluations."


Domingo Cavallo: Setting a precedent for special pleading

By creating a precedent for special pleading, Mr Cavallo will come under more pressure to soften his policies. Further concessions would worsen inflation and diminish his credibility. Independent economists already predict higher inflation will wipe out the package's effects by early next year.

Argentina is still ridden with inflation, despite the pace of reform, as it originates from a rigid labour market and retail sector.

Hiring and firing is difficult and expensive, wage costs are high and productivity low. Mr Cavallo's repeated attempts to tackle the labour market have failed because Mr Menem cannot risk losing the unions' backing.

As a result, an average industrial worker costs companies $1,000 a month in wages, taxes, social security contributions and other costs. Heavy deductions cut net wages to only $600 a month, so unions are constantly agitating for pay increases. They have now called a general strike for November 9.

Consumer prices are high because retailers, facing little competition, raise prices with impunity. Wages may seem princely by regional standards, but their purchasing power is probably less than in Chile or even Brazil.

Associate will turn against Collor

By Christina Lamb
in Rio de Janeiro

THE MAN alleged to have fronted the corruption scheme which brought the current suspension from office of Brazil's President Fernando Collor is planning to turn against him today during Latin America's first impeachment trial.

Mr Paulo César Farias, known as PC, seems to be furious over Mr Collor's defence so far, which tries to pin all the blame on him. Today, he will end his long silence over his former boss, hoping to reduce any forthcoming criminal charges against himself.

Mr Augusto Farias, his brother and a congressman, was yesterday reported by the press as having said: "The ex-president is treating my brother as an enemy and not as the dedicated and loyal friend he has always been. PC has no option but to unleash all his fire on Collor."

The hotly awaited hearing may well be crucial in forming a verdict by the Senate, which is trying Mr Collor on corruption charges and will impeach him if it finds him guilty.

The trial started last week. Yesterday, the first prosecution witnesses were called to testify before a packed Senate. They include Mr Luis Motta Veiga, former head of Petrobrás, the state oil company, and Mr Claudio Vieira, ex-private secretary to Mr Collor.

Mr Farias has spent the last few days closeted with his lawyers in his mansion in Alagoas, his home state and that of the president, in the distant north-east. One of his lawyers admitted that they had been hoping for Mr Collor's resignation. "Collor's defence is a complicating factor for PC and means it's now every man for himself," he said.

After decoding a computer programme of Mr Farias's, the federal police are considering recommending charges against companies which, they claim, paid million-dollar bribes to win contracts. The list is said to include some well-known multinationals.

Havana, Moscow initial trade accord

CUBA and Russia signed trade and shipping accords yesterday and apparently agreed to keep open an electronic intelligence-gathering station once run by the Soviet armed forces on the communist-ruled island, Reuter reports from Havana.

The Cuban news agency Prensa Latina said the accords, including provision for a possible sugar-for-oil deal, were signed in Moscow by Mr Lionel Soto, Cuban vice-president, and Mr Alexander Shokhin, Russia's deputy prime minister for foreign economic affairs.

The agreements appeared to be the most important reached between Havana and Moscow since the break-up of the Soviet Union, the Caribbean island's main political ally and economic supplier for three decades.

Prensa Latina quoted Mr Soto as having said the two sides were also seeking a third partner to help complete a nuclear power station until recently being built in Cuba with Soviet aid.

Cuban President Fidel Castro suspended work on the plant on September 5, saying the country could not afford to accept terms offered by Russia to finish it.

Mr Soto said guarantees were needed to ensure the supply of nuclear fuel to the Cuban plant, according to Prensa Latina.

The agency described the accords as "important for the future development of bilateral relations". It quoted Mr Soto as having said they would help to widen and stabilise ties between the two countries.

Prensa Latina said the bilateral agreements, valid for 1993, covered trade, economic co-operation, shipping and the "permanence in Cuba of the ex-Soviet radio-electronic centre".

This was a reference to a military signals intelligence facility at Lourdes and believed to be one of the biggest operated by the Soviet military in the western hemisphere during the cold war.

Cuba and Russia agreed in September to withdraw the last remaining former Soviet combat troops on the island. Russian officials said at the time that the Lourdes installation, now the responsibility of the Russian government, would be the subject of separate talks.

Direct elections for Cuba

CUBA'S ruling Council of State yesterday appointed a commission to supervise national one-party elections, to start on December 20 with polls for municipal assemblies, Reuter reports from Havana.

The new electoral process, approved by Cuba's National Assembly last week, will culminate in early 1993 with direct elections to the assembly, the first held in 30 years of communist rule.

The new electoral legislation introduced direct, secret voting to fill the national and provincial assemblies, replacing an indirect system.

Cuban officials said the reforms were meant to increase participation in national elections while keeping the island's one-party rule.

However, at least one political dissident has said he intends to try to run for a national assembly seat.

An official statement in the Communist party newspaper Granma said the municipal elections on December 20 would elect members for 2½-year terms.

Cuba's more than 150 municipal assemblies are the lowest tier of the island's local government system. They administer local facilities ranging from public transport and schools to shops and restaurants.

Municipal assembly delegates are chosen by local voters, aged 16 and over, from among two to eight candidates. To be elected, candidates need more than 50 per cent of the total valid votes.

The 17-member election commission appointed by the Council of State is headed by Mr Carlos Amat Fores, justice minister.

Provincial, municipal and local electoral commissions would also be formed by next Tuesday.

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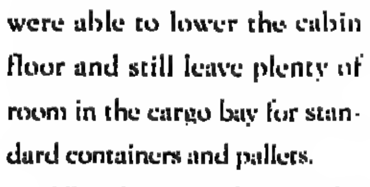


BOEING

Mercosur takes to the highways

Christina Lamb looks at plans for a $2.5bn network to further economic integration

PLANS for a "South American Super Highway" linking Brazil, Uruguay and Argentina have been put forward to advance the three countries' commitment to economic integration.

The three governments are for the first time calling on the private sector to put up the money and take the risk. It will be the continent's most ambitious highway project in recent years and the first such tripartite co-operation.

The proposed 2,500 km expressway to link the commercial centres of Buenos Aires and São Paulo will cost an estimated $2.5bn. Its construction is thought critical to the success of Mercosur, the southern cone common market serving over 200m people which becomes fully operational in 1995.

Since the Mercosur treaty was signed in 1990, regional trade has already doubled to $6.5bn and exporters say an urgent improvement in roads is needed.

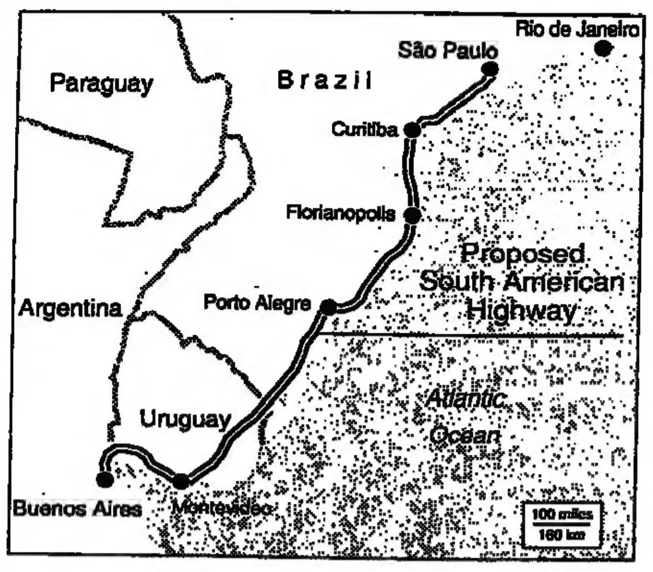
Plans based on a study commissioned by the InterAmerican Development Bank (IDB) were presented to businessmen, technicians and government representatives last month. The governments of Brazil, Argentina and Uruguay then formed a commission to detail a proposal by next year.

Mr Enrique Iglesias, president of the IDB, says that the bank will provide technical assistance and financial guarantees for the project, the cost of which would be recovered mainly through toll revenues.

This is a revolutionary concept in countries with often wasteful state spending. . Mr Iglesias, said: "Construction companies are shocked when we tell them now it's your turn to go to the market and raise finance". But Mr Alberto Goldman, the Brazilian Transport minister, says there is no other option: "The state has no more money. Next year for example my budget is only $500m yet just to recuperate existing roads I would need $2.5bn."

The planned South American Super Highway is the most important of several projects to improve infrastructure within Mercosur to cater for rapidly increasing regional trade.

The idea stems from well advanced plans to build a 50 km bridge across the La Plata river linking Colonia in Uruguay to Buenos Aires, reducing the journey between the capitals of Argentina and Uruguay by 280 km. Bids for the $1bn construction will be invited on a build operate and transfer basis.



Based on the construction of the bridge, the IDB initial study by Louis Berger International suggests that the best route for the highway is along the coastline of southern Brazil and Uruguay.

Costs would be kept down by using existing roads, improving their condition and widening them from two to four lanes. Estimated costs vary from $110,000 per km for a two lane road rehabilitation to $1m for a new four lane bypass.

Mr Joseph Revin who co-ordinated the study, suggests investment be recuperated through an open toll system. He estimates the rate of return as 16 per cent in real terms with some sections such as Curitiba - Porto Alegre yielding 37.5 per cent. Viability studies are expected to be finished next year and bidding invited in 1994 for construction to then start in 1995.

There are, however, many uncertainties not least the financing. Mr Humberto Busnello, who runs a Brazilian construction company, says he has doubts about the rate of returns, adding "a lot depends on the bridge - whether that is part government financed".

Members of the Uruguayan delegation admit it could be difficult to get public approval for a heavy traffic highway along the country's coastline. Brazil still needs to pass legislation to allow private concessions of public services.

Mr Roberto Requiao, governor of Parana state through which the road will pass, says "its absurd to give the private sector the liberty to fix tolls. It could become a monopoly where the local economy will not be able to afford to use it."

Despite these fears, interested European and Latin American companies have already formed one consortium with financial support from Banque Nationale de Paris.

Mr Olivier de Saint Lager, director of the French company Lyonnaise des Eaux-Dumez said his company had formed a consortium with CBPO, a subsidiary of Odebrecht, one of Brazil's leading construction companies, Intreglio, an Italian construction company and Cartelloni, a leading Argentinian firm, to prepare a bid for the highway project.

He says "it is not a Pharaonic dream but a viable project. We would not have invested so much in it if we did not think so".

We will conclude pact, says Gonzalez

FRANCE is not alone in not wanting a hasty world trade deal, Spain's Prime Minister Felipe Gonzalez said yesterday, Reuter reports from Paris. Some EC partners were using the French stand to protect themselves. "I do not believe France is isolated," Mr Gonzalez declared after meeting France's President François Mitterrand. "Other countries are shielding themselves behind the French position."

France, anxious to avoid angering its farmers, in revolt over EC farm policy reforms, has said it does not want an accord in the stalled Gatt talks before the US presidential election. "We will reach an agreement in the Gatt talks, but there are certain conditions I, too, would not accept," Mr Gonzalez added.

France has been blamed for the deadlock, mainly over subsidised farm exports and oilseeds trade, which is delaying a wider deal to liberalise world trade. "It's absurd to blame each other as we do," Mr Gonzalez said. "That is a simplification, and they are almost always dangerous."

Gatt waits as US, EC near oilseeds deal

By George Graham and Laurie Morse in Chicago, and David Dodwell in London

TRADE diplomats from the 105 Gatt signatories meet in Geneva today, on tenterhooks over whether US and EC farm trade negotiators have averted a damaging international trade war.

US-EC talks in Chicago aimed at settling a long-standing row over the EC's oilseed subsidy regime stretched late into a third day yesterday. The row is at the heart of talks on wider farm trade reform leading to a new accord.

By early last night, the talks had still not achieved a breakthrough, but officials said lawyers were seeking a formula to bridge the gap. Mr Edward Madigan, US agriculture secretary, broke off talks with Mr Ray MacSharry, EC agriculture commissioner, in the morning to return home to vote in the US elections. He was due to resume the discussions later.

If the oilseeds row is resolved, negotiators expected a broader agreement on farm subsidies, which has so far blocked the Uruguay Round, to fall into place.

The basis for such an agreement would be presented to the 105-member Gatt Council, meeting in Geneva today, where others affected by the oilseeds dispute would decide whether they too saw it as acceptable.

Gatt members would examine whether they are willing to "multilateralise" the wider farm trade agreement reached bilaterally by the US and the EC. Only then could negotiators proceed to other outstanding obstacles to settlement of the Uruguay Round, mainly agreements on textiles and services trade, and cuts in tariffs.

Mr MacSharry said last night: "There is a deal in the making, all the pieces are there."

A US agriculture department spokesman said yesterday the talks were "alive". The two sides were looking at a "reworked proposal with some interesting ideas." Mr Madigan had sought to press Mr MacSharry for further concessions.

The talks almost broke down yesterday over the oilseeds issue. Some officials in Washington and Brussels urged the negotiators to leave oilseeds aside and press ahead with wider farm trade issues, where they were much nearer agreement.

But Mr MacSharry and Mr Madigan concluded they could not realistically announce an armistice over Gatt, only to attack each other days later with sanctions and counter-sanctions over the oilseeds dispute.

If no agreement is reached ahead of today's Gatt Council meeting in Geneva, the US is expected to announce the first tranche of a $1bn (£600m) package of retaliatory tariffs against EC food products.

US soyabean producers first filed an official complaint against the Community's oilseed subsidies programme in 1987, when European output stood at about 7.5m tonnes. After twice winning their case before Gatt panels, they see no reason to be happy today with an agreement that locks in a higher output level.

US growers acknowledge that reform of the EC's Common Agricultural Policy (CAP) will result in a cut in the acreage devoted to oilseeds, but want these curbs enshrined in the new Gatt, not just in EC law.

They also fear rising yields could result in bigger crops, even from reduced acreage.

Scania signs joint venture for vehicle assembly in Poland

By Kevin Done,
Motor Industry Correspondent

SCANIA, the Swedish truck and bus maker, has signed a joint venture contract for the small volume assembly of vehicles in Poland. It has reached agreement with Kapena, a Polish company engaged in maintenance and repair of heavy buses and special vehicles, to assemble Scania vehicles at Slupak, near the Baltic coast.

Volvo, Scania's rival Swedish truck and bus maker, has signed an agreement with Jelcz, the Polish commercial vehicle maker, to assemble articulated buses for use in city traffic based on Volvo components. Production of Scania vehicles in Poland is planned to begin next spring with the assembly of kits supplied from its Swedish plants.

Output is set to start at 200 units a year but could be increased according to local demand. Scania said the project also called for gradual integration of Polish-made components. It established an importer/distributor, Eurowax, in Gdansk last year, which is responsible for establishing after-sales facilities in Poland.

The Capena deal is the first move into local assembly in eastern Europe by Scania, one of the world's leading heavy truck makers. Volvo will transfer technical documentation to Jelcz and provide technical aid to allow gradual inclusion of locally-made components.

Initial output by Jelcz, Poland's biggest maker of heavy-duty trucks and buses, will concentrate on articulated buses, with the aim of selling about 100 vehicles in Poland in 1993; The products range may be expanded later. The bus chassis for assembly in Poland will come from Volvo, the body from Steyr Bus, its Austrian subsidiary. The Jelcz pact allows for exports of Jelcz-made buses to parts of the former Soviet Union.

● MAN, the German truck maker, has signed a letter of intent with Raba, the Hungarian engineering company, and Mogürt, the trading company, to co-operate in assembly of trucks in Hungary. The aim is for MAN to deliver diesel engines and truck cabs to Raba, chiefly for all-wheel drive vehicles exclusively for the Hungarian market.

NEWS IN BRIEF

Italians win M$180m air traffic contract

ALENIA Commercial Systems, part of the Italian IRI/Finmeccania Group, has won a M$180m (£42m) contract to carry out modernisation work on Malaysia's air traffic control system, Kieran Cooke reports from Kuala Lumpur.

Alenia is to install radar and other support facilities at various airports in both peninsula and east Malaysia. A new radar control centre will also be installed at Kuala Lumpur airport. Work on the project is due to be completed in under 30 months.

The contract is one of several likely to be agreed soon. Malaysia plans an extensive modernisation of support facilities at 21 airports over the next three years.

Plans are also under way to build a new international airport outside Kuala Lumpur.

New Morocco-France links

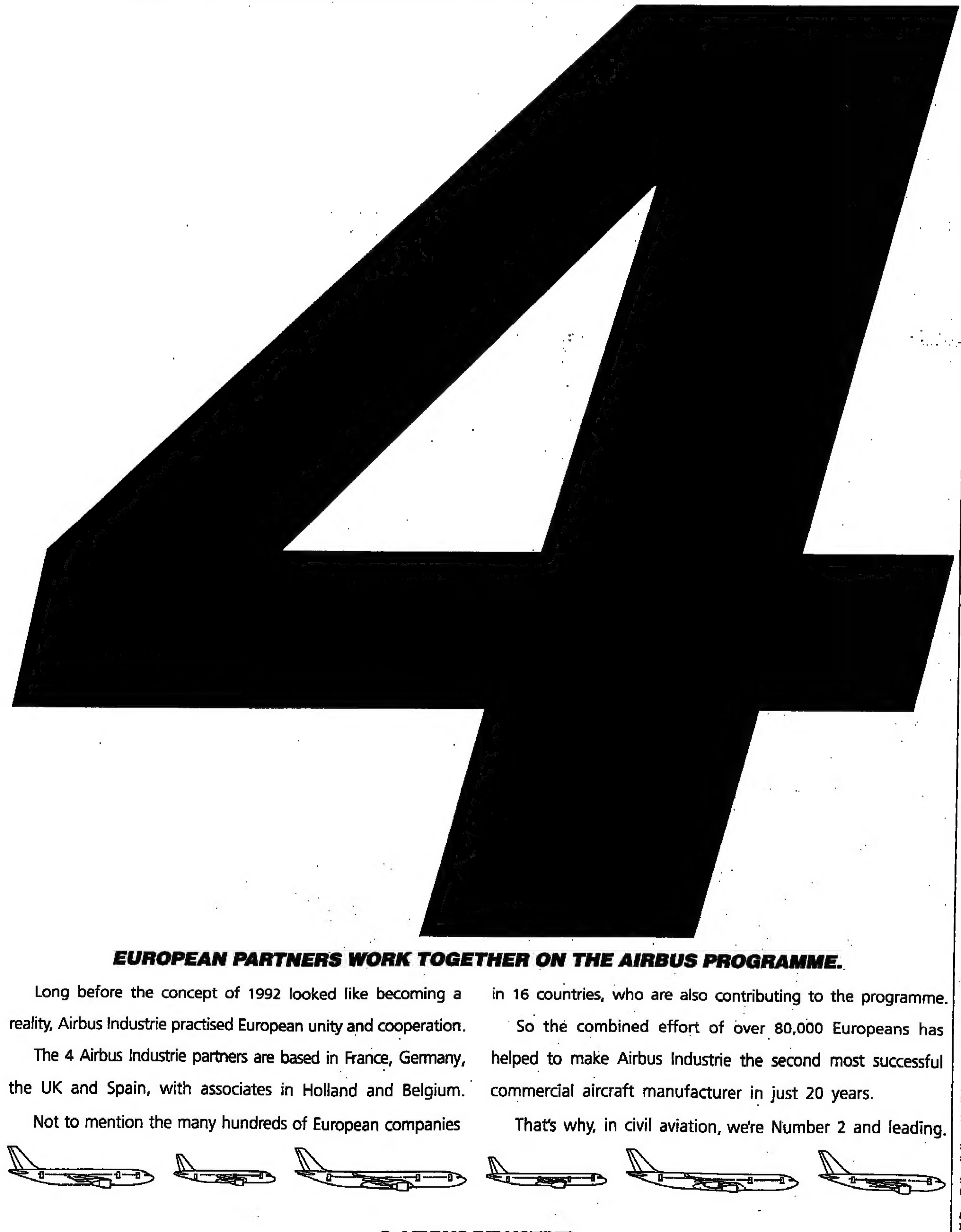
Morocco and France have overcome a period of strained relations and agreed to give new impetus to their economic and political partnership, France's Prime Minister Pierre Bérégovoy said yesterday, Reuter reports from Rabat.

France would give Morocco full support in its efforts to negotiate a partnership with the European Community, leading eventually to a free trade zone, he added.

At the end of a two-day official visit, he said his talks had laid the groundwork for a real partnership between France and its former north African colony.

"Instead of assisting Morocco's development we will now set up a veritable partnership of which we laid the foundations this morning."

Discussions had advanced on a series of projects in the phosphate industry, energy, electric power and telecommunications.



EUROPEAN PARTNERS WORK TOGETHER ON THE AIRBUS PROGRAMME.

Long before the concept of 1992 looked like becoming a reality, Airbus Industrie practised European unity and cooperation.

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So the combined effort of over 80,000 Europeans has helped to make Airbus Industrie the second most successful commercial aircraft manufacturer in just 20 years.

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The loudest sound you will hear inside the Lexus *is yourself thinking.*

You'd expect any luxury car to be quiet. But how quiet exactly? Well, however high your expectations, we think you'll be very pleasantly surprised by the Lexus LS400. But the thing is, we built the LS400 from scratch, and although it entailed taking out [illegible], it meant that we could [illegible] all the [illegible] rumbles, whines and [illegible]. For example, when [illegible] the body of the LS400 [illegible] aerodynamics [illegible] a new shape [illegible]. After all we didn't [illegible] owners [illegible] the [illegible].

As a consequence, the LS400 has a drag coefficient of [illegible] 0. Not only is this the lowest of any luxury saloon, but it also beats many sports cars. Even [illegible] from [illegible] [illegible] quietly [illegible]. Elsewhere, we use another Lexus innovation, [illegible] Sandwiches. These are composed of two slices of steel with a filling of sound absorbing resin to both bonnet and [illegible] noise and keep it where it belongs, out of the passenger compartment. Multi-layer composite flooring does a similar job with road noise. And into hidden structural passages, which are a common conduit for noise, we inject sound absorbing foam. Meanwhile, under the bonnet, there's a 4.0 litre V8 engine that's whisper quiet. It has 4 valves per cylinder and 4 camshafts, and instead of being seated on the usual solid rubber mounts, it has special fluid filled mounts which minimise vibration.

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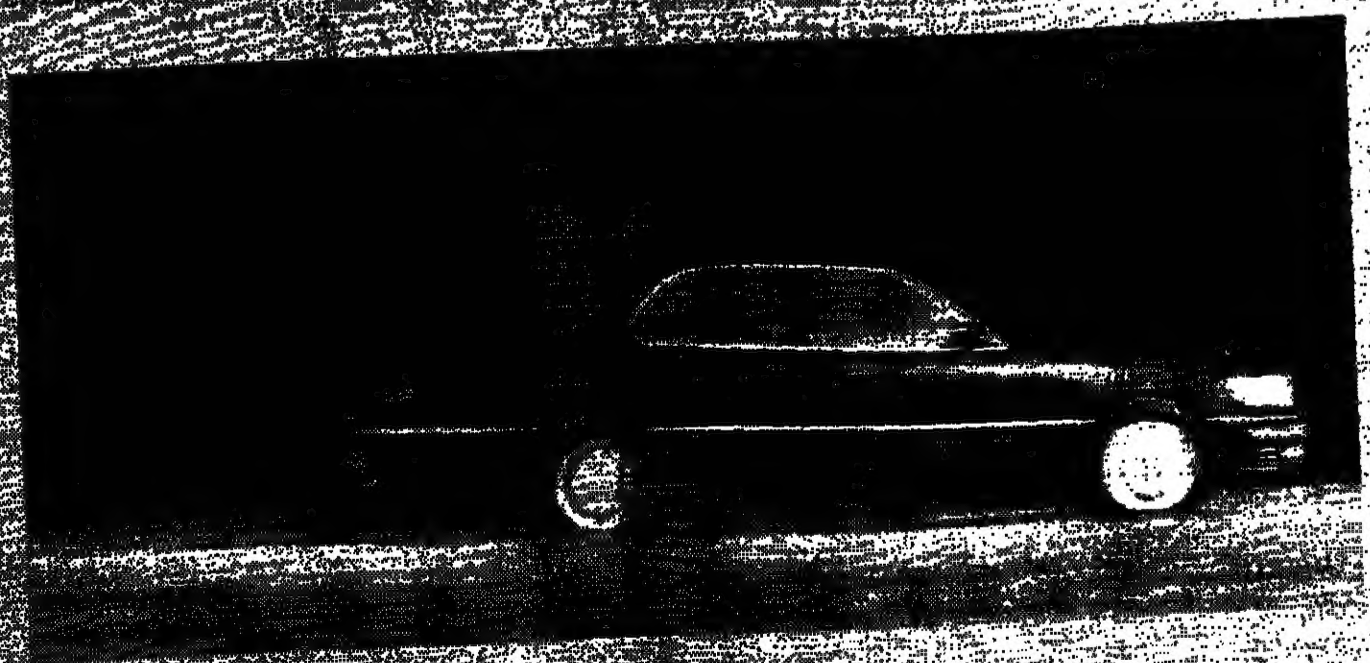
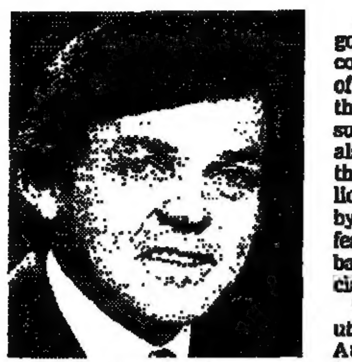


LEXUS
THE LUXURY DIVISION OF TOYOTA

Australian treasurer under fire over loans

By Kevin Brown in Sydney



John Dawkins: may face unwelcome inquiry

AUSTRALIA'S Labor government suffered a serious setback yesterday when the left-wing Democrats joined the conservative Liberal and National parties to force a Senate inquiry into government borrowing practices.

The inquiry will investigate opposition allegations that Mr John Dawkins, the treasurer (finance minister), concealed a A$1.3bn (£570m) increase in borrowing by the former Labor government of the state of Victoria.

The increase breached guidelines set down by the Loans Council, an inter-governmental monitoring body chaired by Mr Dawkins which co-ordinates federal and state borrowing.

The conservatives claim the debt increase was kept secret by Mr Dawkins to assist the re-election prospects of the Victorian Labor government, which was defeated in a landslide earlier this month.

Mr Peter Reith, the conservative treasury spokesman, said the inquiry would provide evidence to force Mr Dawkins to quit. However, Senator John Coulter, the Democrats' leader, refused to support calls for the treasurer's resignation "at the moment".

He said the Democrats would try to ensure that the inquiry focused on the structure of the Loans Council, which appeared to be "totally inadequate" for controlling public borrowing. The conservatives claim Mr Dawkins knew in June that Victoria's debt would exceed Loan Council guidelines, but that he knowingly included incorrect figures in the August federal budget.

Mr Dawkins said the federal government has no power to control the borrowing practices of individual states, or to query the figures supplied to the treasury by state governments. He also released papers showing that he was advised not to publicise Victoria's debt problems by the federal treasury, which feared the news would exacerbate nervousness in the financial markets.

The controversy has contributed to recent weakness in the Australian dollar and an increase in bond yields which has added about A$30m to the Victoria's debt servicing costs this year.

Mr Dawkins agreed on Monday night to support an application to the Loans Council by the new Victorian government for a A$1.6bn increase in its borrowing limit to cover existing debts and fresh spending announced last week.

The announcement of a Senate inquiry revived speculation that the government will call a federal election before the end of the year, rather than wait until mid-1993, when the inquiry would have reported.

Kenya returns to multi-party elections on December 7

KENYA will hold its first multi-party elections for 26 years on December 7, according to state television, Reuter reports from Nairobi.

President Daniel arap Moi had said often the polls will be "very soon" and election fever has gripped the nation during weeks of often violent campaigning. A late and reluctant convert to democracy, Mr Moi faces a fragmented and squabbling opposition whose disarray enhances the chances of his ruling Kenya African National Union (Kanu).

In a rare display of unity, the opposition yesterday unveiled a common strategy for reviving the faltering economy. A coalition of four opposition parties said they had agreed joint policies to revive growth and bring prosperity to the east African country.

The strategy pledges to reform the mainstay tea, coffee and tourism sectors and to end corruption which has driven away foreign investment.

● A heavy turnout was reported as Ghanaians voted in presidential elections which end the military rule that has helped make the country a model of economic success, AP reports from Accra.

● The Angolan capital Luanda was quiet yesterday and life started returning to normal under a United Nations-sponsored ceasefire after weekend fighting that state radio said killed up to 1,000 across the country.

However, witnesses said a convoy of military vehicles moved out of Luanda to the north-east towards Bengo province where Unita rebels were reported last week to have massed 7,000 soldiers.

● Cameroon's President Paul Biya was sworn in for a third five-year term yesterday, promising changes to the constitution and silencing challenges to his re-election with an army crackdown in the north-west, Reuter adds from Yaounde. Mr John Fru Ndi, opposition candidate, is under house arrest.

Burma plans to speed reforms

By Victor Mallet in Rangoon

BURMA'S military government plans to accelerate its economic reforms to attract foreign investment and strengthen the fledgling private sector, according to Brig-Gen David Abel, the finance and planning minister.

He acknowledged, however, that impoverished Burma's economic growth would be curtailed by the refusal of foreign donors to provide aid and by the deadlock in Burma's negotiations with the World Bank and the International Monetary Fund.

The ruling State Law and Order Restoration Council (Slorc) has announced a stream of economic and political reforms in the past few months, including a privatisation programme, the easing of restrictions on tourists and journalists, and the lifting of a night curfew.

But many foreign investors remain sceptical, and western governments are withholding aid because of the Slorc's dismal human rights record and the continued detention of Ms Aung San Suu Kyi, the opposition leader who won the Nobel Peace Prize in 1991.

"Deregulation will be set at a faster pace," Gen Abel told the Financial Times in an interview. He said that the 1988 switch from a centrally planned to a free market economy had already taken root and that the private sector now accounted for half of the country's exports.

"There are a lot of difficulties," he acknowledged, "and we have to minimise these problems. That will take some time, say two or three years, to get it on a much firmer base."

Such difficulties include the reluctance of newly legalised traders to pay border tariffs after decades of smuggling from China and Thailand, and the government's fear that an outright devaluation of the kyat - Burma's currency which trades on the black market at a 20th of its official value - would fuel inflation and urban unrest.

A handful of foreign companies, including Pepsi-Cola, have recently made small investments in Burma, but other potential investors are deterred by the overvalued currency, government red tape and the fear of further political instability.

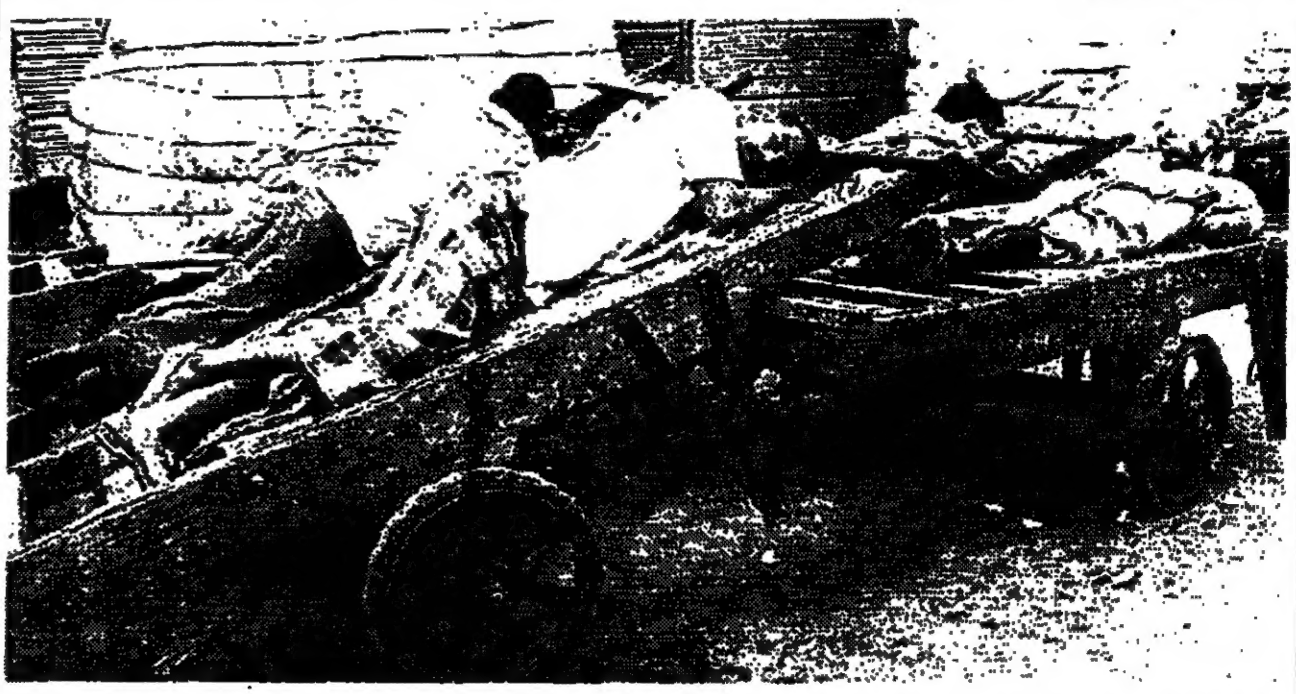
Asked about the difficulties foreign companies have in repatriating profits, he said they were entitled to do so under the law if the profits were proven, but complained: "They operate on the black market rates and they want to repatriate at the official rates."

Gen Abel said that Burma, as a mainly agricultural country, was less vulnerable to the worst effects of rapid economic reform than industrialised eastern Europe. But he made clear that the Slorc wanted a slower pace of structural adjustment than the IMF or the World Bank were prepared to support in the event of funds being made available.

"I think we're at a deadlock," he said. "Structural adjustments on currency would have to be done with great care and caution. They should offer us a safety net or cushion so the adjustments can be done properly."

Gen Abel complained that the US refusal to renew a bilateral textile agreement meant that textile companies in Burma, which include South Korean and Hong Kong joint ventures, were operating below capacity, but he said the withholding of foreign aid would achieve nothing except slower economic growth.

"We went through a world war without exporting even a nail," he said defiantly.



OPPOSITION STRIKE CALL DISRUPTS BUSINESS IN INDIA

Market porters sleep on their push-carts outside shuttered shops in New Delhi yesterday. A nationwide strike call by the opposition Bharatiya Janata Party (BJP) disrupted commercial activity and some clashes were reported in parts of India yesterday, Shiraz Sidhva reports. The strike was called to protest against a decision by the government of Mr P V Narasimha Rao to raise fertiliser and petroleum prices. Most markets and businesses in New Delhi and the four BJP-ruled states were closed and rail and bus services were partially disrupted. Elsewhere the call by the Hindu right-wing party to paralyse the country was ignored. In Bombay, the office of the chief minister was ransacked by political activists who gatecrashed the state headquarters. In Bihar, BJP leaders alleged that police used force to disrupt peaceful processions. The strike is part of a BJP attempt to increase its support among farmers in a party made up mostly of traders.

UN peace deal for Cambodia 'should be scrapped'

THE Phnom Penh government called yesterday for a United Nations-brokered disarmament plan in Cambodia to be scrapped so that its soldiers can go back in the field to counter attacks by Khmer Rouge guerrillas, Reuter reports from Phnom Penh.

"We want the UN to declare an official end to Phase Two of the ceasefire," government spokesman Khieu Khanarith said. "We want troops that have been cantoned to go back to their positions."

The second phase of the accord signed last year requires fighters from the four Cambodian factions to enter UN-guarded camps and hand in their guns as a prelude to demobilisation.

The process has stalled because of the Khmer Rouge's refusal to go along with the plan, which they signed with two allied guerrilla armies and the Phnom Penh government in October 1991.

Accusing the Khmer Rouge of a series of recent ceasefire violations, Mr Khieu said: "We cannot canton while the Khmer Rouge has the right to attack us - it creates an imbalance."

The radical faction should be excluded from the process and lose its seat on the provisional Supreme National Council if it continued to spurn the peace treaty, he said.

Mr Khieu said the mandate of the huge peacekeeping operation, the UN Transitional Authority in Cambodia (Untac), should be changed to let its soldiers train the three other Cambodian armies to fight the Khmer Rouge.

He said his government wanted a presidential poll before general elections scheduled for next May.

Such a poll would anoint Prince Norodom Sihanouk, the former leader of the guerrilla alliance and now the neutral head of state, as president.

If this was not done his government would reconsider its participation in the general election, he said.

The Khmer Rouge, still led by the same chiefs who subjected Cambodia to a reign of terror in the 1970s that cost over a million lives, have already threatened to boycott the election.

Mr Khieu said his government's army was not planning to launch an offensive but it needed to make counter-attacks against Khmer Rouge advances.

The Khmer Rouge, among other conditions, refuses to join other factions in disarming until the UN verifies that all Vietnamese troops have left Cambodia.

The Vietnamese invaded in late 1978 to oust the Khmer Rouge and install a sympathetic government. But Hanoi says its last soldiers left in 1989.

Egyptian President Hosni Mubarak casts his ballot in the country's local elections yesterday. Turnout was said to be low, and the opposition put up no candidates in 85 per cent of 2,779 seats. Moslem fundamentalists, who boycotted previous local elections and the last parliamentary elections in 1987, are seeking to capture at least a handful of key local councils.

Thailand moves to cut power of military

THE CABINET of Mr Chuan Leekpai, the Thai prime minister elected in September in the aftermath of a bloody confrontation between the army and pro-democracy forces, yesterday revoked laws giving the military sweeping powers, Reuter reports from Bangkok.

"From now on, for all military operations that deal with civilian or political rallies, the armed forces must seek approval from the cabinet," Major-General Sombat Rodphothong, the deputy defence minister, told reporters.

The Internal Security Act was promulgated in 1979 after a coup. It empowered the armed forces chief to mobilise troops and order military operations throughout the country.

When mass protests erupted in May against the military's domination of politics, military chiefs used the law to crush demonstrations. Dozens of people were killed and hundreds wounded.

General Suchinda Kraprayoon, the unelected prime minister and leader of a 1991 coup, was forced to resign in disgrace. An interim government removed other senior commanders. Pro-democracy parties have vowed to break the army's grip on politics.

Ambush by Sri Lanka rebels leaves 32 dead

TWENTY-THREE servicemen and nine rebels were killed yesterday when Tamil separatists ambushed a patrol in eastern Sri Lanka, Reuter reports from Colombo.

A helicopter gunship, armoured cars and about 500 troops were rushed to reinforce the patrol, which was surprised by about 100 guerrillas in the eastern Amparai district, an army spokesman said.

The 40-strong joint air force-police patrol was searching for road mines when they were surrounded by the rebels. Police said 13 airmen and 10 policemen were killed.

The bodies of nine rebels from the Liberation Tigers of Tamil Eelam, who are fighting for a separate state in the island's north and east, were recovered after a one-hour battle, the officer said.

The ambush was the latest in a series of hit-and-run attacks on similar road patrols carried out mainly in the east by marauding groups of Tigers.

The Tigers are trying to drive Sinhalese and Moslems out of the island's eastern areas, which the rebels claim are part of their traditional homeland. About 25,000 people have been killed since the Tamil rebels launched their separatist struggle in 1983.

Iran wants Turks to quit Iraq

THE FOREIGN policy commission of Iran's parliament urged Turkey yesterday to withdraw its troops from northern Iraq, Reuter reports from Nicosia.

The official Iranian news agency Irna quoted the committee as telling Ankara to stop "the killings of innocent Kurdish civilians."

Turkey has sent more than 20,000 troops into northern Iraq to flush out more than 8,000 guerrillas of the separatist Kurdistan Workers' Party (PKK) believed to be hiding there.

Birthrate among Israel's Jews falls to its lowest ever level

By Hugh Carnegy in Jerusalem

THE BIRTHRATE among Israel's Jewish population has fallen to its lowest ever level, but mass immigration from the former Soviet Union has sustained the politically sensitive level of the Jewish majority in the country, latest government figures show.

Jews accounted for 82 per cent of the 5m population living within the pre-1967 borders of Israel and both parts of Jerusalem in 1991, despite a fall in the birthrate per Jewish woman to 2.6.

The rate among Moslem women rose slightly to 4.7. But the difference was offset by Jewish immigration of 170,000, most from former Soviet territories.

Demographics are an integral part of the Arab-Israeli dispute. Israeli governments have long feared that the proportion of Arabs in the population would rise to levels that would threaten the Jewish character of the state.

They have looked to immigration as the way to bolster the Jewish majority.

Ironically, the latest fall in the Jewish birthrate was attributed to very low birthrates among the immigrants, partly because of a high proportion of the elderly among the newcomers. But demographers say the overall Jewish majority is unlikely to alter much over the next 20 years if immigration continues at present rates.

However, they say immigration has only postponed by a few years projections that the balance of Arab-Jewish populations within Israel and the occupied West Bank and Gaza Strip will be equal within 25 years.

At present there is a 60 to 65 per cent Jewish majority. This likelihood is a factor behind the Labour-led government's willingness to cede most of the West Bank and Gaza to the Palestinians.

Within pre-1967 Israel, recent immigration has made former Soviet citizens the biggest ethnic group, overtaking those of Moroccan origin.

This, too, may have a political effect as support from recent immigrants was a big factor in Labour's June election victory over the hard-line Likud party, which draws much of its support from North African communities.

China's ethylene city waits for investors and infrastructure

Angus Foster, recently in Xiamen, examines planning and funding shortfalls at Haicang's ambitious development project

HALF an hour's drive from China's special economic zone of Xiamen City is one of the largest infrastructure developments on the mainland's eastern seaboard.

Haicang, which planners say will cost Rmb5bn (£578m) to complete, is being hailed as China's "ethylene city", with plans for deep-water berths to unload oil and for factories to convert it into a host of downstream plastics and chemicals.

The first apartment blocks are finished, mainly to house farmers dislodged by site flattening. New roads are nearly ready to be tarmaced, and will relieve the existing dusty track, which groans under the weight of construction vehicles and residents taking produce to market.

Despite the activity, Haicang may become famous as a planners' folly. Designed to attract foreign petrochemical companies, none have yet arrived.

In 1990, Mr Wang Yung-ching, the chairman of Formosa, Taiwan's largest plastics company, announced he would build a naphtha cracker in Haicang. China, and some foreign observers, assumed much of Taiwan's downstream plastics industry would follow.

But Mr Wang was blocked by political pressure from Taiwan's government. There are now rumours he is looking elsewhere in China.

Mr Xie Tingmu, a Haicang official, said foreign investors will come, but only when the infrastructure is ready. "Haicang is an objective necessity. It will continue with or without foreign investors," he said.

Whatever Haicang's fate, it neatly illustrates the difficulties faced by China in co-ordinating rapid economic coastal growth with its infrastructure. While Haicang runs before it can walk, the area's ports, roads and telecommunications limp along behind, unable to keep pace with double digit economic growth.

Xiamen's port is operating above capacity. Some foreign companies now send goods by land to Hong Kong, even though it costs about 30 per cent more.

Roads inland and up the coast are often poor and so choked that progress is very slow. Due to the influx of foreign businessmen seeking cheap land and labour, flights to Hong Kong are booked months in advance and long distance telephone lines are engaged by mid afternoon.

Xiamen's port is being expanded and by the end of next year capacity will increase to 9.5m tonnes from 6m tonnes. Following growth in container trade, which expanded 6 per cent in terms of tonnage and 66 per cent in containers handled last year, capacity is set to quadruple to 400,000 containers a year.

A further development plan, which according to Mr Lin Zhongqi of Xiamen's harbour bureau has won "oral" but not yet official approval from China's State Council, will take capacity to 1m containers a year by the end of the century.

A Rmb260m, three-year expansion of the city's airport is under way and will lift passenger capacity to 5m, up from this year's forecast of 2m. Also, the runway is being extended to cater for Boeing 747s.

Xiamen's Posts and Telecommunications Bureau has spent Rmb120m increasing the number of local lines five times to 50,000 and long distance lines six times to 2,000.

The bureau now aims to at least double local lines by 1994, according to Mr Li Zhenqun, the bureau director.

But these improvements barely seem able to keep pace with demand. Once the port is improved, road traffic will again switch back to using containers. Mr Li said as soon as new phone lines are installed they are overloaded.

Most of the money for these projects has been provided by the central and local governments, although the port expansion has been partly financed by a $36m long term, low-interest World Bank loan. Kuwait provided $18m of low-interest loans towards the airport and Japanese government loans have helped buy telephone equipment.

But central government funding is becoming more difficult to obtain, mainly because Beijing's bailing out of loss-making state industries has led to a budget deficit.

Xiamen is also having to compete for funding and low-interest loans with other coastal areas, especially the Pudong development in Shanghai.

Xiamen officials said they will increasingly have to seek new sources of funds. Following the example set by Guangdong, where Hong Kong businessmen have built roads and power stations, Fujian is also now courting foreign investors for infrastructure projects.

So far the results have been small in comparison with Guangdong, but are encouraging nonetheless. Fujian's drawback is that although Taiwanese investors, who have language and often family ties with the province, are investing in processing industries, they have not targeted infrastructure. Such projects are probably seen as too risky because of Taiwan's continuing rift with China and the lack of investor protection agreements between the two sides.

Possibly the most ambitious project being considered is a "bullet train" from Xiamen to the provincial capital Fuzhou. Japan's Ikawa Trust is conducting a feasibility study on the $2bn project.

If built, it would reduce travel time between the two cities to one hour. At present it takes six and a half gruelling hours by car along unpredictable roads.

Hong Kong investors have taken a 30 per cent stake, worth Rmb600m, in a 1.2m KW coal-fired power station being built near Xiamen. Another Hong Kong company has become the first foreigner to invest in Chinese port ownership, rather than management, with a 80 per cent stake in a Rmb200m berth in the city's port.

Earlier this year a Chinese Malaysian investor exchanged contracts to build a 40 km highway from Xiamen to the inland city of Zhangzhou, which would greatly improve communications away from the coast. But the investor is now being investigated by Hong Kong securities officials, and the project is in doubt.

Western observers say Fujian's slower economic growth means it does not yet share Guangdong's power shortage problems but in other respects it is lagging behind. What Fujian needs, they say, is a large-scale infrastructure investment like that made by Mr Gordon Wu with his "super highway" north from Shenzhen. As construction continues at Haicang, Xiamen officials are left to wonder if, and when, Mr Wang is their man.

Loyalty of the cabinet may prove essential for PM

By Philip Stephens, Political Editor

MR JOHN MAJOR must win. A victory over his party's Euro-sceptics will not in itself restore the authority of his government but it is an essential precondition.

That much was agreed by the prime minister's friends and enemies at Westminster on the eve of today's vote. If he loses, his colleagues will urge him to soldier on. But loyalty is not an adequate substitute for the widespread conviction that his government's authority would be fatally undermined. The Euro-sceptics deny it publicly, but acknowledge privately that they are ready to wreck Mr Major's premiership.

Ironically, the actual vote has no legal significance. It was promised by Mr Major after the Danish referendum – a device to placate Tory Euro-sceptics before Labour had swapped its conversion to Europeanism for the more familiar politics of opportunism.

The motion for debate calls simply for the MPs to give the go-ahead for consideration in its detailed committee stage of the European Communities (Amendment) Bill. Labour's amendment says that it should be delayed until after the Edinburgh summit. But the legislation has passed its second reading, so, win or lose today, Mr Major could technically press ahead whenever he wished.

Defeat would deprive him of moral authority. In politics, that is far more important than legal niceties. He would no longer be in charge of his party. His foreign policy would lie in ruins alongside the economic policy that perished on "Black Wednesday". At best, the prime minister could hope to bring the Maastricht bill back after next month's summit. More practically, it is hard to see how the process could resume until next year.

Downing Street has retreated awkwardly from the suggestion that defeat would prompt a general election. It is true that each and every one of Mr Major's cabinet signed up to the strategy behind today's debate, some albeit reluctantly. But it has been impossible to find one of them who believes that losing today would be sufficient cause to issue an open invitation to Mr John Smith to win an election.

Mr Major's own position is more difficult. In private as well as public, he has made clear that Maastricht is about both Britain's place in Europe and his personal authority. He has suggested that the rejection of the treaty would be an historic mistake comparable to Britain's decision not to sign the Treaty of Rome.

He regards the struggle as a fight for the soul of the Conservative party. He has said that if it is not willing to trust him to defend Britain's self-interest in Europe then it had better find someone else.

The prime minister has made the direct link between Europe and the economy. His economic strategy was destroyed by sterling's ignominious exit from the European exchange rate mechanism. Now the new emphasis on recovery, based on temporary indifference to the level of the exchange rate and further cuts in interest rates depends for its success on a restoration of political confidence.

So if his party decides that it is ungovernable, Mr Major might stand down. There will be no direct pressure to do so from his colleagues. Mr Kenneth Clarke, the most powerful and one of the most pro-European member of the prime minister's cabinet, is his most obvious successor, but he *would not wield the dagger.* The Euro-sceptics and their Thatcherite colleagues have no credible candidate of their own.

If Mr Major wins, he will have the chance to salvage his government. It will not be easy. The economic outlook remains bleak, the Euro-sceptics promise trench warfare when the Maastricht bill returns, the council tax is beginning to look like an unexploded bomb. This week's cabinet sessions underline the difficulties the government will face in meeting its £244.5bn public spending target.

One senior minister at the centre of the storm confessed *recently that it was "madness"* to stick to a figure agreed when all were convinced that economic recovery was under way. But like DM2.95 before it, it had become a totem from which the government could not budge. Creative accounting will ease some pressure, but the Autumn Statement next week may foreshadow another stream of Tory rebellions like that over the coal industry.

An unaccustomed victory instead of a defeat for the prime minister would bring the possibility also that the Conservative party might come to its collective senses. The disgruntled and disenchanted on the back benches may realise *that rebellions harm no one* but their own party and their own leader. Mr Major would have a breathing space during which the economy might yet show signs of life: and a chance at least to begin the painstaking process of rebuilding his authority.

THE OPTIONS

MPs will vote *twice* at the end of the debate.

***First* on the Labour amendment *Then* on the government motion.**

If the amendment were carried, the government motion would be dead and MPs would effectively be asked to vote again on the Labour amendment. This calls for the return of the Maastricht bill to be delayed till after December's European summit in Edinburgh.

A *Yes* vote on the Labour amendment by 324 MPs or fewer, depending on the number of abstentions, would carry it.

Tory rebels have a number of tactical voting possibilities.

They might opt collectively to support the Labour amendment in the first vote. If the amendment were then carried, they could logically support the amended government motion in the second.

If the the Labour amendment falls, with or without their support, then hard-line rebels would probably vote against the original government motion, which gives a green light for the Maastricht bill. That represents the rebels' best chance to stymie the process. Soft Tory rebels would probably abstain.

The situation is further complicated since a few Tory MPs have made clear that they will not back the Labour amendment even if they subsequently oppose the government motion. Some or all Ulster Unionists might act the same way. This suggests Labour's amendment could fall by a misleadingly wide margin.

THE GOVERNMENT MOTION:

"That this House notes that the European Communities (Amendment) Bill received a majority of 244 at its second reading and was committed to a committee of the whole House.

Acknowledges that the House was promised a debate prior to the committee stage.

Notes that the Danish Government's intentions have now been clarified. Recalls the Lisbon Council's commitment to subsidiarity, the Birmingham Council's agreement on a framework for decisions to implement that principle and the practical steps already taken to achieve it.

Recognises that the UK should play a leading role in the development of the European Community to achieve a free market Europe open to accession by other European democracies, thereby promoting employment, prosperity and investment into the UK

And invites Her Majesty's Government to proceed with the bill in order that the House should consider its provisions in further detail."

MR RICHARD RYDER, the government's chief whip, has presided over a concerted lobbying operation by ministers, as the government has sought to head off the biggest uprising by Tory MPs since Mr Major became prime minister. Some meetings have been made public, other cajoling and arm-twisting operations have been kept behind the scenes.

THE LABOUR AMENDMENT:

"That this House notes that the European Communities (Amendment) Bill received a majority of 244 at its second reading and was committed to a committee of the whole House, recalls the conditions relating to the Danish position and to subsidiarity laid down by the Prime Minister in the debate in this House on 24th September; and believes that these conditions cannot be satisfied until the Edinburgh European Council at the earliest and that therefore further consideration of the Bill should wait the outcome of that meeting."

To the left John Major relies on Paddy Ashdown's Liberal Democrats. To the right John Smith seeks the extra weight of the hard-line Euro-sceptics such as Michael Spicer. The outcome rests with waverers such as Kenneth Baker, and possibly the Ulster Unionists

In the balance: how MPs line up on Maastricht

● FOR	
Liberal Democrats	19
Ulster Popular Unionist Party	1
Conservatives (minus possible rebels)	291

Four votes have been deducted to cover the Speaker and her three deputies who do not vote in normal circumstances

● THE POTENTIAL TORY REBELLION	
The waverers: could vote for, against or abstain	11
Soft rebels: may abstain or vote against	6
Hardliners: likely to vote against	26
● Others likely to vote against	
Ulster Unionist Party	9

● AGAINST	
Labour (1 may abstain)	269
Plaid Cymru/Scots Nationalists	7
SDLP	4
Democratic Unionist Party	3
Liberal Democrat	1

THE FACTIONS

THE GOVERNMENT wants its motion carried in order to strengthen Mr John Major's negotiating position at December's European summit in Edinburgh.

Cabinet ministers warn wavering colleagues *sotto voce* that the prime minister's credibility in Europe may be at stake. Mr Major warns of the loss of inward investment and of a collapse in economic confidence in the UK if Maastricht's ratification is hindered.

THE TORY LOYALISTS remain the largest part of the Conservative party. Those who have few qualms about Maastricht, or welcome it, are likely to be joined by opponents who will nevertheless vote with government.

Some of the latter have been persuaded by appeals to loyalty. Others – including some junior ministers and parliamentary private secretaries – will decide that today is the wrong time to rebel.

THE HARD-LINE REBELS vary from the long-standing opponents of the EC to those who believe, like former prime minister Baroness Thatcher, that Maastricht is a treaty too far, commits Britain to a federal destination and has to be blocked.

What unites them is a determination not to be swayed by government lobbying. They put defeat of Maastricht as a higher priority than saving Mr Major.

THE SOFT REBELS are more easily persuadable about Maastricht's contents and susceptible to assurances from Cabinet ministers that it does not, for instance, commit Britain to an early return to the ERM. Their instinct is to put off ratification on Maastricht – arguing that, far from weakening Mr Major's hand at Edinburgh – it will actually persuade other European countries that there is a British, as well as Danish "problem".

LABOUR says it backs closer European union but argues that today's debate is about confidence in Mr John Major. The Labour leadership feels its job is to oppose the government, whatever its own thinking, and to exploit opportunities to weaken or embarrass ministers. More practically, with numerous opponents to Maastricht within Labour's ranks, a decision to oppose the government is the easiest way to ensure the party is united.

THE LIBERAL DEMOCRATS argue that the future of Europe should be above domestic politics and will back the government motion. They join ministers in warning of the economic consequences of the government motion's being defeated. They also reject Labour's call for a delay before Maastricht is considered by MPs. But Mr Nick Harvey, Liberal Democrat MP for Devon North, is expected to vote against the government.

THE OTHERS: Of the 24 MPs from the smaller parties, the nine Ulster Unionist MPs oppose Maastricht but may yet abstain. The three Democratic Unionist party MPs are also likely to vote against the government, as are the four MPs of Northern Ireland's Social Democratic and Labour party, the three Scottish Nationalist party and four Plaid Cymru MPs. The lone Ulster Popular Unionist party MP is likely to support the government.

Businesses back Major over links with Europe

By Michael Cassell, Business Correspondent

IF BRITAIN'S biggest companies had a vote in the Commons tonight, the endorsement of Mr John Major's pro-Maastricht motion would be beyond question.

Although some of them have reservations about aspects of the treaty and look to the Edinburgh summit for clarification, any doubts are overcome by what is seen as the need for Britain to be in the mainstream of European political and economic development.

Judging by the reaction of more than 50 of Britain's largest corporations, the blueprint for continuing development enshrined in the Maastricht treaty is not a cause for wild enthusiasm.

But the consequences of being left on the sidelines are considered too bleak to contemplate. Many companies believe that, whatever the difficulties, a Britain at the heart of Europe has a better chance of resolving them.

Few businessmen share the apparent disinterest of Mr Michael Gifford, chief executive of Rank Organisation. He said he had not read the treaty and had no view on it, adding: "I have no view about what they do in the Commons. I just get on with minding the store, if you don't mind."

Elsewhere, there may be confusion over the full implications of a treaty on which Mr John Major is staking so much but there is a recognition that the outcome of the debate will have a profound impact on Britain's prospects.

Its ability to continue to act as a bridgehead for investment by non-EC companies operating in Europe is a particular source of concern.

Mr John Baker, chief executive of National Power, said that a "stand-aside" Britain would risk losing its excellent record on inward investment. His view was shared by Mr Clive Thompson, group chief executive of Rentokil. He said: "Inward investment, particularly by the Japanese, would not be nearly so attractive if Britain was seen to be dragging its feet over Maastricht."

Mr Bob Wilson, chief executive of RTZ Corporation, said it was important to protect the UK's role as a magnet for inward investment. An anti-Maastricht vote would damage that reputation.

BAT Industries, the financial-services-to-tobacco group, said Britain would encounter serious difficulties in the single market if it failed to ratify the treaty. The company said: "The treaty is a vital part of completing the single market. A single currency is the glue that will keep the single market together."

Sir Anthony Pilkington, chairman of Pilkington, said Britain's industrial and commercial future demanded a Yes vote. "Within the treaty, we can begin to address some of the problems resulting from uneven enforcement of directives and the occasionally erratic approach of the Commission," he said.

Cadbury Schweppes said the completion of the single market was the most important aspect of EC development, but the Maastricht treaty had to be ratified if Britain was to extract maximum benefit from that market.

One dissenting voice came from Willis Corroon, the insurance group, which backed full British participation in a common market but said that failure to back the Maastricht treaty would not necessarily lead to isolation from the rest of Europe. The company said there was "probably more than one way of going about" continuing to develop the EC.

Mr Ed Wallis, chief executive of PowerGen, said a vote against the government would help to leave Britain "isolated within Europe on an unknown course" which would harm its trading prospects.

That view was echoed by Mr Mike Hoffman, group chief executive of Thames Water, which has ambitions to expand in Europe. He said: "Not everything in Maastricht is ideal, but we do not want the country or our company to be isolated from the rest of the community."

Mr Richard Everitt, a director of BAA, the airports operator, said that if Maastricht was a code word for the UK playing a leading role in Europe, it had to be supported.

Additional reporting by Michiyo Nakamoto, Cathy Milton, John Griffiths, Philip Rawstorne, Richard Evans and Richard Donkin.

JAPANESE-owned companies in Britain believe a "no" vote in parliament today over the Maastricht treaty could damage their businesses in the long term, Daniel Green writes.

Most Japanese-owned companies contacted by the Financial Times said their immediate business plans would not be affected by the vote, whatever the outcome.

They said that over time Britain should move closer to the rest of Europe, especially over the single market and single currency.

Reflecting the views of other senior executives, Mr Kazumi Ueda, managing director of County Durham bearings maker NSK, said: "The UK and other governments are being hasty in pushing it [the Maastricht treaty] through. A rejection would cause confusion for a short time [and] in the long term the treaty should be approved."

BUSINESS OPINION

BRITISH CHAMBERS OF COMMERCE: want Yes vote to help end the damaging decline in business confidence. Richard Brown, British Chambers director of policy, said: "Uncertainty has proved unsettling to the extent that even exporters have not taken advantage of the devaluation of sterling and confidence levels are at their nadir. The vote must be a step towards ending that uncertainty.

"A two-speed Europe has only two gears: forward and reverse. Ratification of the treaty will, on balance, be supremely beneficial". Failure to ratify, Mr Brown said, will leave Europe without a clear long-term strategy for economic and political stability.

ENGINEERING EMPLOYERS' FEDERATION: is looking for "a clear Yes" tonight, underpinning a firm commitment to Europe. Mr Neil Johnson, federation director-general, said the UK – which last year sent 63 per cent of its engineering exports to the rest of Europe – "simply cannot afford to send the wrong signals to our European partners.

"Maastricht may have its shortcomings but they pale into insignificance compared with the problems we could face if we reject it. Being temporarily outside the ERM is one thing; being permanently outside the mainstream of the Community is altogether something more serious." The UK should develop Maastricht, not reject it.

BUILDING EMPLOYERS CONFEDERATION: believes a vote rejecting the government motion would inflict incalculable harm on Britain and provoke a political crisis further damaging confidence, according to Sir Brian Hill, its president.

Sir Brian said a No vote would mean Britain was "putting its head in the sand" when it needed to play an active part in the development of Europe.

"It is vitally important for industry that urgent decisions are taken which will set the British economy on course for growth," he said.

With construction facing its worst recession since the 1930s, further political upheaval must be avoided, he added.

INSTITUTE OF DIRECTORS: today's vote is a constitutional oddity and an unnecessary distraction from detailed debate on Maastricht.

The IoD queries the government's urgency to ratify, given the recent disarray in the exchange rate mechanism, which is central to the Maastricht programme. It views the debate more as a battle for survival by Mr John Major, and it believes he has stuck his head above the parapet unnecessarily.

Mrs Ann Robinson, head of the IoD policy unit, says: "We do not need this debate. It has had its second reading and should proceed to the committee stage, where all its imperfections and ambiguities can be properly examined."

SOCIETY OF MOTOR MANUFACTURERS AND TRADERS: warned Tory MPs that the re-emergence of the UK as a successful car manufacturing nation would be seriously at risk if the government was defeated tonight.

The optimistic medium-term outlook for UK car producers, according to Sir Hal Miller, chief executive of the SMMT, "would be undone should we be faced with a two-speed Europe or the break-up of the single market".

Urging Tory MPs "not to put Britain into Europe's slow lane", the SMMT warned that EC competitors would seek "any excuses to prevent UK car exports by Japanese car manufacturers operating in Britain".

CONFEDERATION OF BRITISH INDUSTRY: director-general Mr Howard Davies said ratification of Maastricht was vital to Britain's national interests and for a revival of economic confidence.

Failure to back the treaty would leave Britain's EC partners to resurrect it or to construct something like it. "The government will need to make some difficult decisions in the coming months if we are to right the balance in our economy and secure recovery," Mr Davies said.

"Without the authority it will gain from completing the ratification process, it will be unable to make those tough decisions stick, with damaging consequences for the nation as a whole".

THE TREATY

Details prove vital to sceptics

By Alison Smith

AMONG ALL the lists of potential Tory rebels on Maastricht, the document at the centre of the row is in danger of going unnoticed – except by the Euro-sceptics who have examined it clause by clause and swap detailed references to articles and protocols.

The 130 or so pages of the English text of the treaty include the changes to the existing treaties about the European Economic Community – or the European Community as it will now become – as well as 17 protocols and 33 declarations.

The most important changes to the previous treaties relate to economic and monetary union. Those would set up in three stages the replacement of national currencies with the Ecu as the single European currency, and the replacement of national central banks with an independent European central bank.

The transitional provisions include the setting up of a European Monetary Institute to strengthen monetary co-operation and facilitate the use of the Ecu; and progress by the member states towards low inflation, stable exchange rates and low budget deficits, as the "convergence criteria" for the basis of economic and monetary union.

The UK has secured an "opt-out" from the final stage of economic and monetary union, but the treaty language makes clear that all member states, whether or not they are likely to be included in the single currency, are expected to work towards meeting the convergence criteria.

Other changes to the treaties themselves extend the Community's policy range in some areas and give the Community a new role in others: such as industrial policy, research and technological development and trans-European transport and telecommunications networks. It extends the Community's role in environmental policy and paves the way for it to have a say in civil protection, energy and tourism.

Separately from the amendments to earlier treaties, the Maastricht agreement provides for intergovernmental co-operation in foreign and home affairs.

On foreign and security policy, it is the Council of Ministers that will decide what should be covered in a common policy: although the Commission will be "fully associated" with the policy.

Most foreign and security policy decisions will have to be taken unanimously, but some decisions about implementaton will be taken by qualified majority voting. The Western European Union, the European element of Nato, is given a prominent role in the defence implications of the foreign policy.

The most significant declaration – and the area of the other UK opt-out – is that on social policy. The UK will be unable to take part in the discussions about improved working conditions and social protection, but will not have to bear the costs of those policies' being implemented.

Of the other provisions, the most controversial at Westminster is the setting up of a "cohesion fund" to help less developed countries in the Community.

Beyond the changes themselves, the language of Maastricht is itself an issue at Westminster. In particular, its references to marking a new stage in creating "an ever closer union" and its establishment of "citizenship of the Union" will doubtless be raised today whenever the government argues that the treaty is a turning point away from European centralisation.

Cabinet split in public spending row

By Alison Smith, Philip Stephens and Catherine Milton

THE OUTLINE package of economic measures to be announced in next week's autumn statement was agreed by Mr John Major yesterday as cabinet battles over 1993's £244.5bn public spending total looked set to continue right up to the weekend.

After a meeting of almost two hours yesterday morning, ministers said a cabinet struggle over public sector pay remained unresolved, with some ministers still pressing for a total freeze rather than a 2 per cent ceiling, to free more resources for capital programmes.

A further cabinet meeting tomorrow is likely to be given an indication of the economic measures in the autumn statement, including changes in the rules on private sector financing of capital projects.

Plans by EDX, the cabinet committee on public spending, to impose deep cuts on the defence budget ran into strong opposition from Mr Malcolm Rifkind, the defence secretary.

Mr Rifkind is said to have warned that thousands of jobs would be lost. The future of some defence-dependent companies might also be threatened.

Others arguing strongly for increased allocations were Mrs Virginia Bottomley, the health secretary, and Mrs Gillian Shephard, the employment secretary.

Unemployment and the pay of public sector workers were two of the central concerns raised with Mr Norman Lamont, chancellor of the exchequer, in a meeting with nine representatives from the Trades Union Congress.

After the discussion – the first bilateral meeting between the chancellor and the TUC since the early 1980s – Mr Norman Willis, general secretary of the TUC, said union leaders told Mr Lamont that things were "awful out there".

In the 80-minute meeting, the union leaders presented their plan for economic recovery, and told Mr Lamont it would be "morally unacceptable" for low-paid workers to be hit by a pay freeze because of the problems over the economy.

Insurer calls for industry glasnost

Keeping pace with changing demand, Mick Newmarch yesterday

IT IS almost an apostasy for the life insurance industry to acknowledge merit in the growing chorus of public complaints about its products.

Yet, Mr Mick Newmarch, chairman of Britain's largest life insurance company, Prudential, has done just that in a hard-hitting speech aimed at setting a new agenda for the industry.

Mr Newmarch singled out disclosure: what should consumers know about a life insurance product before they buy it? This question has been at the heart of probably the greatest onslaught of bad press the industry has ever seen.

The life industry has been fighting a rearguard action for the two years to stave off disclosure. The information which is wanted ranges from how much commission a sales agent earns to the number of years needed to earn a 100 per cent refund of premiums paid on an endowment policy cancelled before maturity – information the public wants to get its hands on. This rearguard action has given weight to claims that the industry has something to hide.

Mr Newmarch said the industry had compounded the problem by insisting that critics do not know what they are talking about. Claims that criticism by the Office of Fair Trading was ill-informed were wrong. "We should consider that maybe it is we who do not understand the fair trading environment," he said.

Resistance to better disclosure had added to public scepticism about the merits of life insurance – a scepticism that could be a factor in the recent decline in sales of life and pension products.

Mr Newmarch's greatest turn-round was to suggest the Office of Fair Trading was the appropriate body for setting a disclosure regime, and that its concerns were legitimate.

"Either it is possible to persuade the OFT and the most professionally competent media commentators that the current level of criticism of life industry products and sales practices is unjustified; or (if not) we must take on board the message that some of our products and our methods of presenting them have not kept pace with the changing expectations of the public," Mr Newmarch said.

Privately, Mr Newmarch makes no secret of his view that in seeking a tougher disclosure regime, he expects the Pru to benefit. "Over the past year or two, life insurance has become a pejorative term," he said. Better disclosure would show the Pru off to its best advantage and shake some of its competitors out of the business altogether.

Mr Newmarch suggested that instead of allowing the Securities and Investments Board to negotiate a disclosure regime acceptable to the OFT, the insurance industry should open a dialogue directly with it and seek OFT endorsement of the industry and its practices.

Under current rules, if the OFT finds the SIB's life insurance disclosure regime unsatisfactory, it is up to the Treasury to direct the SIB to draft a new one. The last time the OFT turned down an SIB-designed disclosure regime in 1989, it was the Department of Trade and Industry that ordered it back to the drawing board.

Treasury sources have made little secret for their distaste for the life industry and it may turn out to be a far less sympathetic regulator than the DTI. Mr Newmarch said the DTI already had the power to remove the directors of life companies in its powers of prudential supervision and that could be extended to the sales and marketing arena as well.

Norma Cohen

Matrix chief helped MI6, court told

By John Mason

THE MANAGING director of Matrix Churchill, the Coventry-based machine-tool maker, passed information about eastern European affairs to MI6 for more than 10 years before he began spying on Iraq, an Old Bailey jury heard yesterday.

Mr Paul Henderson was also praised by his MI6 controller for his bravery in gathering intelligence on Saddam Hussein's regime, the court heard.

Mr Henderson is one of three former Matrix Churchill directors who deny breaching export controls by pretending that machine tools exported to Iraq in 1987 and 1988 were for civil, not military, purposes.

His MI6 field controller, giving evidence from behind a screen, confirmed that Mr Henderson had worked for MI6 from the early 1970s until 1983, giving information on commercial contracts behind the Iron Curtain. He had been "reactivated" for this work between 1985 and 1986.

The officer said Mr Henderson had frequently visited Iraq and gathered intelligence knowing Saddam Hussein's reputation for ruthlessness and that foreign agents were particular targets of the regime.

Mr Henderson had done this when his business was under various pressures. "There are very few people who would take such risks and take them in their stride," the MI6 officer told Mr Geoffrey Robertson QC, for Mr Henderson.

During their meetings, Mr Henderson had supplied information concerning a number of long-range missile projects planned by the Iraqis.

He gave his MI6 controller blueprints of a projectile which could be fired 1,200km and said Matrix Churchill had been approached by the Iraqis to make machine tools for the project, known as ABA.

A technical report from one of these meetings was sent to a "very high" ministerial level, the officer said.

Questioned by Mr Allan Moses QC, prosecuting, the officer said Mr Henderson had not told him Matrix Churchill would be carrying out the work on the ABA project, nor that it had a contract to supply the Chilean arms dealers Industrias Cardoen with bomb fuses destined for Iraq.

In September 1989, Mr Henderson was interviewed by MI6 technical experts at a "safe house" near the Foreign Office in London. Afterwards, he expressed concern that the delay in processing his company's export licences could cost hundreds of jobs at the firm. His MI6 contact told him he would be better off complaining to the Foreign Office than MI6 and introduced him to a suitable contact.

The trial continues today.

Central bank's official reserves fall by £2bn

By Emma Tucker, Economics Staff

THE BANK of England's underlying official reserves fell by £2bn last month, a higher than expected fall, but one which threw little light on the Bank's intervention to prop up sterling in September.

The drop followed September's record fall of £4.4bn but together the two figures amount to only a part of the £15-£20bn currency reserves allegedly spent by the Bank shortly before the pound's devaluation on September 16.

The net final fall of $539mwas smaller than the underlying fall because the Bank was able to draw on $3bn of the special borrowing of up to Ecu10bn of foreign currencies arranged at the beginning of September to boost the pound.

Overall reserves were also boosted by $846m of Ecu Treasury bill proceeds. How much the Bank spent to keep sterling in Europe's exchange rate mechanism may not be known for months. In the ERM it was possible for the Bank to disguise intervention by borrowing from European central banks; the borrowings did not have to be repaid for up to nine months.

Britain in brief

House prices fall by 2.7% in October

House prices fell by 2.7 per cent last month, the biggest monthly fall for two years, according to the Nationwide building society.

The drop in house prices is likely to increase pressure on the government to come up with a package to help the housing market in the Autumn Statement on November 11. The drop is the fifth successive monthly fall and follows a 1.4 per cent decline in September. The larger Halifax house-price index showed a much higher September fall of 3.1 per cent, but the month was seen as untypical because of the end of the stamp duty relief period in August.

Policy pledge on competition

The government has reaffirmed its commitment to the promotion of competition as the best weapon against industrial decline.

Mr Neil Hamilton, corporate affairs minister, said the government saw competition "as the spur to increased efficiency and innovation".

Mr Hamilton stressed that when the EC merger regulation came up for review next year, the government would want to test any proposals for widening its scope against the UK's original objectives for the regulation – a firm competition base and a focus on cross-border deals with implications for the EC.

CBI sees less optimism

Optimism among small firms has tumbled in the past four months, according to a Confederation of British Industry report. The report mirrors the falling production, weakening orders and further job losses predicted in last week's CBI survey of big companies.

Exports are the only positive sign in a bleak outlook, with firms expecting a slight increase in foreign orders over the next four months.

Spending on machinery and innovation is falling and training schemes have been reduced to keep costs down and protect already-slim profit margins, said the survey of more than 800 smaller firms.

Challenge to public pay deal

The government's plans to hold down public sector pay have been directly challenged with the announcement of a 4.9 per cent pay increase for fire-fighters.

The increase was made under a pay formula which equates the earnings of the 42,000 fire-fighters retrospectively to those of the upper quartile of adult male manual workers. In April this was 6.2 per cent according to the government's recent New Earnings Survey but the formula projects this figure forward to November to take account of the most recent pay increases.

The Local Government Management Board, which negotiates on behalf of local authorities described the 12 months deal as the last of this year's public sector pay round.

Strike to hit City services

Local government workers will strike today to join a rally in London in protest at cuts in services and jobs in the capital. Services could be disrupted by the strike in several boroughs, including Ealing, Hillingdon, Islington, Camden and Greenwich.

Car crime falls 2.6%

Car crime has slowed by 2.6 per cent, reversing a three-year rising trend, government officials said. The first three months covered by Car Crime Prevention Year, April to June 1992, showed falling car crime in almost half of all police-force areas in England and Wales.

the reason why...

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TURKISH AIRLINES

" We care more "

In the second of two articles on BhS, **John Thornhill** looks at the widespread purge of staff that formed a key element in the restructuring of the UK retail group

Battle to rebuild family store

In January 1990, a group of 15 senior managers from BhS apprehensively assembled in a hotel in Newbury to discuss the future prospects for the ailing UK retailing group.

The mood was subdued, tense and heavy with anticipation. The company's trading background had sharply worsened over the past few weeks as the recession had begun to grip. The arrival of an enigmatic American chief executive two months previously had excited a flurry of speculation. And a frightful gale, which buffeted the hotel, knocking out its electricity supply, heightened the sense of crisis as the group huddled around an open fire to review the company's performance.

"We just sat around that fire and talked and talked and talked for three days. We discovered very few strengths and lots of weaknesses," recalls one participant.

BhS's past mistakes were dispassionately dissected. Its competitive position was analysed and a forthright management consultant's report was kicked around in a free-for-all discussion.

Out of the talk was born a simple 52-word mission statement that was to serve as a blueprint for a series of whirlwind changes that were to transform the group over the next two years.

"The BhS mission is to be the first choice store for dressing the modern woman and family. We are committed to service, quality, harmony, innovation and excitement in all that we do. We will succeed by being a focused organisation in dynamic partnership with our customers, suppliers and each one of us," the statement ran.

When the new chief executive, David Dworkin, joined the company he knew he had to act fast to reverse the sense of drift. "We had to superimpose some vision on the business very quickly. We also had to streamline it. There was too much noise and too many layers," he says.

Dworkin says the company was a staid, male-dominated hierarchy where head office staff only met the directors when they were invited to do so. At lunch time staff were strictly segregated into different dining rooms. BhS's head office contained 1,041 people while similar-sized retailers had half that number.

Dworkin promised a refreshing new informality. BhS staff still recall the shock of attending meetings when Dworkin strolled in wearing a T-shirt, cycling shorts and bare feet, eating a pot of yoghurt.

To simplify and focus the structure of the business, Dworkin launched a twin-track attack to effect change: first, by taking out several management layers, reducing costs by £10m; and second, by introducing incentives for the talent remaining in the business and recruiting fresh thinkers from outside. People were to become the company's greatest source of competitive advantage.

In all, 900 head office and store managers were dismissed, including 10 of the 15 managers who attended the Newbury meeting. About half the 130 store managers were replaced, along with 60 per cent of buyers and merchandisers, and all but two of the 20 most senior line managers.

The main criterion for deciding whether to retain people came from their perceived flexibility to accept change. Dworkin says he was looking for "a sensitivity and a sense of looking at the world anew. We needed an openness and a religious commitment to the view that things could be done better".

Dworkin says some mistakes were undoubtedly made but is unrepentant at the scale of the purge. "I would argue that it did not destroy morale. It might have made a lot of people unhappy but my role is not to be sensitive to that, but to be sensitive to shareholders and give them a productive team. The new team now has extremely high morale," he argues.

Trevor Humphries

Steve Bedford with staff at the BHS Oxford Street store: he has launched a scheme to scrutinise every group activity

Given the staggering turnover of staff, it is a wonder to an outsider how the company continued to function at all. Yet while this "creative destruction" was being implemented, a simultaneous thrust allowing new ideas and people to emerge was also appearing. An action programme, headed by Steve Bedford, the human resources director, known as Activity Value Analysis (AVA) was launched to scrutinise and improve every group activity.

Bedford tirelessly explained the company's mission statement to managers at a series of seminars and they, in turn, discussed with their staff how it could be achieved.

Twelve individual "change agents" took a prominent role in stimulating this participative process. "We put these people together from different levels and different functions to be the leaders of change. They trained and energised everyone else. We received more than 5,000 ideas on how to improve the business," says Bedford.

As a result, old ways of running the business were updated. New performance targets were devised and successful staff were given bonus payments.

This change process cascaded through the company embracing every function and department. At the store level, layers of back office managers were stripped out and the proportion of staff on the sales floor increased from 60 per cent to 80 per cent.

As one example, Mark Bowland, store manager at the BhS store in the Metro Centre in Gateshead, says he cut the number of managers from 23 to 11. But the obverse side of this painful process was that it devolved greater responsibility both to the remaining managers and increasingly to the shop floor associates, who were encouraged to exercise greater individual initiative.

The whole process attempted to tilt the management effort towards supporting ideas from the front-line staff. "At the end of the day we are the people who take the money," says Bowland.

This "unfreezing" process was accompanied by extensive training programmes. Shop floor staff, including part-timers, were encouraged to take the retail exams for the National Council of Vocational Qualifications. For the first time, BhS devoted more of its training budget to its 15,000 shop associates than to its head office staff. "I think the greatest respect you can pay to anybody is to want to invest in them," says Bedford.

But training also yielded cost benefits by reducing substantially the high levels of staff turnover. It also meant that sales associates could increasingly assume the functions of junior managers.

Yet in spite of all these improvements, it is arguable that BhS has, as yet, only won the easy victories. The dramatic gestures and changes have been made. Now comes the infinitely harder process of establishing a "learning organisation" whereby continuous daily improvements can be made.

The company has also to avoid the danger simply of introducing a new orthodoxy that will itself ossify. "Because we challenged every aspect of what we did, we made people think that everything we did in the past was wrong and everything we were going to do in the future was right. We have to overcome that attitude," says Helena Packshaw, marketing director.

Although sales per square foot are beginning to show impressive improvements they are coming from a low base and still lag a long way behind BhS's main rivals. Based on estimates from Verdict, the retail consultants, BhS's sales per square foot were less than one third of the £536 that Marks and Spencer achieved last year.

Some staff say morale is still fragile as a result of the massive personnel upheaval. One insider at BhS, who does not wish to be named, says: "The company is still run by fear. There was a lot of flab in BhS that had to be cut out but people are still afraid for their jobs. It is not a nice atmosphere."

Some observers suggest that the impetus of change may also dissipate since Dworkin became chief executive of the parent Storehouse group in July and is now helping to push through a similar change process at Mothercare. The doubts remain but Dworkin, at least, is convinced that the company has pushed the reforms far enough to ensure they are sustained. "Change is a mind-set," he says.

The first article on BHS appeared on this page last Wednesday

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Managers unite in attempt to raise profile

Andrew Adonis reports on this week's launch of the Institute of Management in Britain

The new Institute of Management, launched this week, brings together the British Institute of Management and the Institute of Industrial Managers. With 75,000 members, it claims to be Europe's largest management institute.

However, the IM is more than an amalgamation of two associations. Its aim is to raise the profile of management training, emphasising the development of management competences – not just the imparting of management theory – through qualifications approved by the National Council for Vocational Qualifications.

As Sir Derek Hornby, IM chairman, put it at the launch: "We have a central aim – to develop good management practices. We achieve this by implementing management lead body standards through our education programmes and by including business and management courses within our integrated approach to professional management."

Peter Wilson, vice-chairman of IM and director of Luton College's management college at Putteridgebury, is an ardent advocate of the competence approach to management training. He is also anxious to see more done for managers who are unemployed or facing redundancy.

His college enrols unemployed managers, or those facing redundancy, on courses at reduced fees to enhance their job prospects and help them re-orient themselves.

The IM is marketing hard its "competent manager" programmes. These are self-study packages leading to a certificate and diploma in management at NVQ levels 4 and 5, available on an in-house basis or through a public programme offered through IM or one of its licensed centres.

At the heart of the programme is a "modular training structure", focused on the application of an individual manager's working environment. With 103 branches, the institute runs tailored courses for companies and more than 70 short "open" courses on all the main areas of management practice. It has an information centre based at its Corby office.

The Institute of Management, 2 Savoy Court, Strand, London WC2R 0EZ.

Replaced: the old BIM logo (left)

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BUSINESS AND THE ENVIRONMENT

Scott's clean sheet

As pulp manufacturers gather in London next week to negotiate their annual round of contracts with buyers, many are being asked about their environmental performance for the first time.

Their answers may well be crucial. Scott, the world's largest tissue manufacturer, has decided to exclude suppliers that fail the group's environmental standards, even if they are cheaper than competitors. At stake is the 150,000 tonnes of paper Scott uses in the UK every year. In future, the 700,000 tonnes it consumes in Europe annually will be scrutinised.

Martin Kybert, environmental affairs manager, explains that an assessment of the life-cycle of its products showed the greatest impact could be made in the manufacture of wood pulp.

The company launched a two-year environmental assessment programme of its pulp suppliers. They were asked to provide details of their emissions, including carbon dioxide and sulphur dioxide. Their forestry practices and replanting policies were also considered.

The differences, says Kybert, were startling. In the worst case, one supplier produced 17 times more carbon dioxide than the best supplier.

Scott dropped three of the worst suppliers, which were in North America and Scandinavia, while giving preferential treatment to the best. Those dropped represented 10 per cent of all its suppliers.

"Some of those excluded were really surprised. Nobody had ever asked them before for details of their carbon dioxide emissions," said Kybert. One supplier is investing heavily in new plant and telephoning regularly to report progress.

Kybert says Scott can gain competitive advantage through better environmental performance. Consumers are demanding products that are less damaging to the environment but that do not compromise on quality and value for money.

Paul Abrahams

Christina Lamb explains how a billionaire's tropical dream is starting to pay off after 25 years

A strange case of jungle fever

Mention Jari in Brazilian business circles and people generally raise their eyebrows. As the world's biggest tropical forestry project, Jari is the product of an American shipping magnate's dream to plant trees in the Amazon to produce pulp and paper as well as cultivate rice and raise buffalo.

After 25 years, billions of dollars, a lot of ridicule and setbacks, Jari may just be turning into a model for industrial development and silviculture in tropical rainforests.

The project, now run by a group of Brazilian companies, is the largest employer in the Amazon and this year expects its first net profit. More important, it is defying the established view that poor Amazonian soil would not support large-scale agroforestry.

Arriving at the remote site at the confluence of the Amazon and Jari rivers, it is easy to see why the project was labelled crazy. Accessible only by small aeroplane or slow-boat from Belem, 250 miles away, Jari is a bizarre sight.

Skimming over lush forest for more than an hour, the aeroplane lands in Monte Dourado, a neat but somewhat out-of-place company town complete with club, hospital and identical houses with front lawns.

Drive through the jungle and suddenly at the edge of a muddy river in the middle of nowhere arises a gleaming metal pulp mill and powerplant. Pines that would look more at home in the Swiss alps grow in sandy fields. In cleared areas herds of bemused water buffalo wander, looking as if they would rather be wallowing in the mud far away.

Nowadays, environmental concerns mean that permission would never be granted for such a project. But back in the late 1960s Brazil's military rulers were eager to "colonise" the Amazon, which makes up 60 per cent of national territory. Started in 1967, Jari owes its existence to the determination of the late billionaire Daniel K Ludwig, who loved to do things which everyone said were impossible.

Intended as his crowning glory, the scheme to tame the jungle and install a pulp mill, buffalo farm and rice plantation in an area the size of Belgium, was the biggest and craziest of all.

Convinced of an impending world food and fibre shortage, Ludwig sent men all over the world in search of the perfect tree for pulp. He also needed a parcel of land near a deep water harbour in a country with cheap labour.

Undaunted by its remoteness he settled on Jari, an area of wild jungle populated only by Indians, monkeys and a few rubber-tappers. Inside its 1.6m hectares, Ludwig built a port, railroad, 9,000km of roads and the town of Monte Dourado from scratch, shipping in people from the northeast and industrialised south.

The first problem came when the seedlings planted on the newly cleared land promptly died. Already 69 when the project began, Ludwig was in a hurry. Rather than experimenting with many species to see which fared best in the poor Amazonian soil, he risked millions on a monoculture of gmelina, a tree native to India and Burma, chosen because it could be harvested for pulp in just six years.

Gmelina was a disaster, succumbing to disease when it finally did grow. In 1973, Ludwig brought in pine trees, planting many thousands of hectares. These, however, grew slowly in the sandy soil and torrential rains. The rice plantation was a dismal failure despite a complicated system of irrigation by dykes.

In 1978, undaunted by such setbacks, Ludwig shipped in a Japanese pulp mill with 220,000 tonnes per year capacity. A wood-fired power plant was also ordered, towed by barges across three oceans and up the Amazon in 87 days.

A year later, eucalyptus was planted and it is now the main crop, taking up 40 per cent of the 100,000 hectares of planted trees. By this time, Jari had become the focus of Brazilian fears that imperialist foreigners would expropriate the Amazon.

Rumours abounded that it was an American military training camp. Unable to find partners or finance, Ludwig had to abandon plans for a second pulp mill and newsprint plant. Jari was put up for sale in 1980 amid a financial and managerial crisis.

Ludwig's planned investments of $300m-$500m (£180m-£300m) had run into billions, while the first year of pulp mill operation in 1979 saw revenues of just $70m instead of the $300m he had predicted.

In 1982 Jari was bought for around $300m by a group of 22 Brazilian companies. With the government providing finance and technology in the form of advisers from Embrapa, the Agricultural Research Institute, the Jari company is now producing 291,000 tonnes of pulp per year, of which 80 per cent is exported. This year it will finally move out of the red.

The turnaround has been mostly due to the new attention on technical concerns. Facing an imminent lack of wood, the new owners decided to increase the diameter of trees, increase plantation size, and cultivate a type of eucalyptus more suitable to local conditions.

Contracted in 1984, Sergio Coutinho, the project's forest adviser, developed a new model. After extensive soil surveys which discovered 23 different soil types, he classified the land depending on how intensely it could stand alteration – low, medium, high or very high – and it is now exploited accordingly. A soil correction programme was initiated as well as cloning to produce the best tree for each area.

Coutinho has no illusions about the immensity of the task. "Man is by nature a destroyer. The big challenge here has been to develop this large frontier of tropical forest differently."

As a result of his work Jari has shown an incredible increase in productivity. Eucalyptus is now yielding an annual 27.7 cu m/hectare – 110 per cent up on 1982; pine 19.9 – 49 per cent up; and gmelina 22.6 – 18.9 per cent up. These results fly in the face of traditional wisdom that the shallow nature of Amazonian soil would cause productivity to decrease, forcing the land to be abandoned as has happened in agricultural projects all over the forest.

"We expected that with such poor soil, the first rotation would grow but then production would fall. Instead we now have areas on their third and fourth rotation and the yield is rising," Coutinho says. He believes that through forest management combined with adjusting trees to local soil characteristics, average yield could reach 40 cu m/hec by the end of this decade.

A natural target of attack by green activists, environmental concerns have top priority at Jari. Dismissing the thesis that the forest should be left untouched as "absurdly romantic – the people of the Amazon deserve a decent living too," Coutinho points out that exploited areas account for less than 10 per cent of the total land. Native forest has been left on slopes and around water and in 400m-wide bands between plantations to allow circulation of animals as well as acting as a barrier against the spreading of disease.

Eight 20,000-hectare genetic reserves have been created to serve as fully preserved control samples of areas of different forest types to be cut down for economic activity. Coutinho's team has catalogued more than 629 species of trees, all of which are monitored in situ.

Nevertheless, the sight of rows of spindly eucalyptus replacing centuries old Amazonian trees is shocking. But Eduardo Barreto, president of the Jari company, says: "Producing pulp in the Amazon exposes you to fire, but criticism is based on ignorance. We have four hectares of native forest for every one of planted forest. We are protecting biodiversity and proving that it's possible to generate an environmentally friendly and economically sound business in the Amazon."

Ludwig's dream of taming the jungle may not have been realised, nor would anyone cite Jari as the solution to the Amazon's development problem, but after 25 years of hard work and enormous amounts of money at least it is providing an example.

Roll out timber carpet

A US carpet company, Collins and Aikman, has turned the messy business of carpet recycling on its head.

Instead of labouring to separate the components of a carpet, which often include wool, nylon and latex or bitumen and several years of grit, the company has found a way to grind up old carpet and add a catalyst to create a synthetic timber.

The market for recycling carpets is potentially huge. Millions of tonnes of carpets are dumped each year in landfill sites in Europe and North America. Dumping costs up to 75 cents a yard, according to US chemicals company Du Pont. It may not even be an option for much longer; in Germany, for example, proposals are being considered to force manufacturers to take back old carpets.

Recycling has proved impossible. Like unscrambling an egg, it is tough to separate a carpet into its original components.

Collins and Aikman's solution is to granulate the carpet, backing and all, and then mix and extrude it with a catalyst. The resulting material can be mixed with other waste plastics before being moulded into a range of products including chairs and tables, marine timber, toothbrush handles and weatherproof flooring. A park bench made from recycled carpet is already on sale in the US at $240 (£150).

The catch is price. The synthetic wood is two to three times more expensive than timber. But the company argues that buyers of the carpet would save money through not having to pay for incineration or landfill charges, while buyers of the synthetic wood benefit from a material which lasts 15 to 25 years instead of five for treated wood.

The company has spent $8m on new production equipment at its plant in Dalton, Georgia. "We will recycle any vinyl-backed carpet free of charge," says David Pyles, managing director of international sales at Collins and Aikman. "We'll need all the carpet we can get."

Daniel Green

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FINANCIAL TIMES SURVEY

LUXEMBOURG

Wednesday November 4 1992

Few are worried about the prospect of currency union; **Page 2**

Analysts' predictions of a decline in banking have not materialised; **Page 3**

As parts of Europe plunge into economic and political uncertainty, Luxembourg remains an island of calm, its size and flexibility enabling it to stay a step ahead of its neighbours. Can it maintain this position, asks **Ronald van de Krol**

Prosperous little oasis

SMALL WOULD seem to be beautiful for little Luxembourg on the eve of the European single market. The European Community's smallest member is also its most prosperous.

And at a time when ethnic tensions and a distrust of foreigners are on the increase in other parts of Europe, Luxembourg is an oasis of calm, even though nearly a third of its residents and half of its workers are from other countries. The Grand Duchy's remarkable process of integration and acceptance has been assisted by the fact that most of the foreigners are fellow west Europeans and fellow Catholics from Italy and Portugal, and that unemployment is negligible at 1.7 per cent.

As the EC's only land-locked member it has always been forced to ply trade with the rest of the Twelve: in a single European market of 360m consumers, Luxembourg and its population of 400,000, representing just 0.1 per cent of the total, will benefit even further from the country's location and its multi-lingual skills.

But being small is usually not an advantage when it comes to wielding power and Luxembourg remains vulnerable to European and world events beyond its control.

Its status as a founding member of the EC in the late 1950s gave it immediate influence out of all proportion to its size – a mere 57km wide and 82km long. In the original Community of the Six, the Grand Duchy had little difficulty in making its voice heard. Nor has it found itself badly outmanoeuvred or outnumbered since the six became 12. But the EC' enlargement to perhaps as many as 18 states threatens to dilute Luxembourg's power.

A test case for the future is the siting of the proposed European central bank. Politicians and financiers say the bank belongs by rights to Luxembourg, because of a 1965 agreement that it should become home to the EC's financial and judicial institutions.

Mr Pierre Werner, the former prime minister, elder statesman and the man whose Werner Report helped set the EC firmly on the road to monetary union in 1970, says: "We are duty-bound to claim the bank, because we would otherwise abandon positions which had been clearly established. You can't simply sweep the 1965 agreement aside."

Unfortunately for Luxembourg the decision is clearly a question of politics. Luxembourg's best chance of winning the bank is its emergence as a compromise candidate to break any deadlock between Germany, France and Britain.

Luxembourg is keen to have the bank, partly to crown its achievements of the past two decades – the creation of a thriving banking and financial centre, which compensated for the decline of the once all-important steel industry.

Since 1992, the number of banks in Luxembourg has increased fivefold to 192, providing thousands of new jobs, generating a sizeable amount of government revenue and making the Grand Duchy a financial centre in its own right, albeit a specialised one focused on niche areas.

The collapse of the Bank of Credit and Commerce International (BCCI), which was legally domiciled in Luxembourg but which carried out the bulk of its activities elsewhere, has not, it seems, had a lasting effect on the Grand Duchy's reputation. BCCI came to Luxembourg at the start of the banking boom in the early 1970s, and the country's regulatory body, the Institut Monetaire Luxembourgeois, says a bank of this sort would not be granted a licence today.

Officials admit that they cannot claim credit for having foreseen the rise in banking. The reasons for the rapid growth, they say, must be sought in other countries, principally the US, whose tax-rule changes in the 1960s created the Eurocurrency market. Banks flocked to Luxembourg to take advantage of its lack of stamp duty and withholding tax.

But Luxembourg is being too modest. The country has repeatedly shown that it is capable of moving quickly to exploit a niche market.

One example is the investment fund market. Within a month of the EC Commission's issuing its directive on European-wide investment funds in 1988, Luxembourg's parliament had revised its domestic laws to reflect the change, enabling the country to steal a march on larger financial centres. Today, Luxembourg is home to more than 980 investment funds. A similar case of niche thinking is Luxembourg's commercial satellite and television sector.

Another explanation for the country's success is its bank secrecy laws, which make it a magnet for the wealth of Germans, Dutch, French and Belgians, who like to keep their savings in a place which they can reach easily and quickly by car but which is out of bounds to their own countries' tax authorities.

Flushed with the success of this type of private banking, Luxembourg has no intention of sacrificing its banking laws on the altar of European unity and harmonisation. Mr Pierfranco de Vita, managing director of Chase Manhattan Bank in Luxembourg, says: "The government has given clear signals that it would keep Luxembourg's special status alive within the EC."

But Luxembourg can expect to come under further pressure from its EC partners, who would like nothing more than to claw back lost savings.

Although Luxembourg will probably manage to fight sweeping changes for years to come, there is a realisation that the niches which it has been able to exploit because of differences in national laws are bound to dwindle if European integration gathers pace.

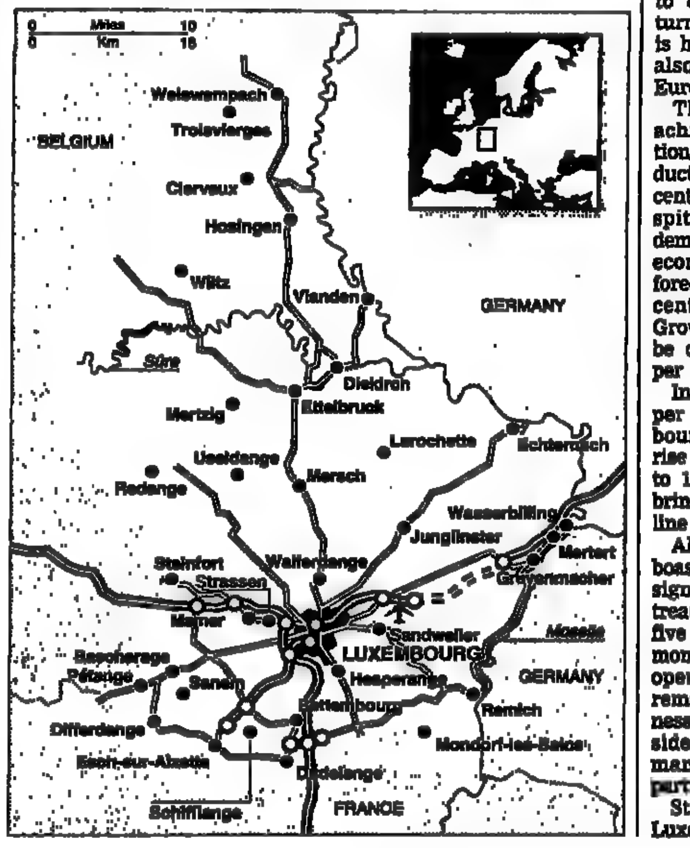
For this reason, the new buzz-word in Luxembourg financial circles is "training". The idea is to refine and boost skills and expertise, so that the country remains attractive, whatever the future of European regulations.

"The advantages which Luxembourg has will be reduced over time. What must remain, however, is a high degree of know-how," says Mr François Colling, leader of the Christian Social party in parliament. "Look at investment funds. Why do we have so many here? It has nothing to do with bank secrecy, but everything to do with specialising in the sector."

Being small, in other words, means being nimble and flexible enough to keep one step ahead of more powerful neighbouring countries. So far, Luxembourg has shown that it is capable of running races with the giants of Europe and beating them over certain distances and in certain categories. The challenge, however, is to repeat the feat not just once, but year after year.

Luxembourg city: small is beautiful for the European Community's only land-locked member

Picture by Glyn Genin



Diversification has helped keep the economy in good shape

Banking takes up steel slack

PARADOXICALLY, the strength of the Luxembourg economy in 1992 is probably best illustrated by the difficulties facing its single biggest employer, the Arbed steel group.

Thanks to a policy of economic diversification pursued since the big steel crisis of the mid-1970s, the economy continues to perform well, in spite of the malaise in steel.

Banking, plastics, rubber and new industries, such as glass production, are clearly helping to compensate for the downturn in the steel market, which is hurting not only Arbed but also steel producers across Europe.

The figures testify to the achievements of diversification. Growth in industrial production held steady at 2 per cent in the 1992 first half, in spite of the slowdown in demand for steel; and overall economic growth for 1992 is forecast to match the 3.7 per cent increase seen in 1991. Growth in 1993 is projected to be only slightly slower at 3.5 per cent.

Inflation, currently around 3 per cent, has been kept in bounds, defying a two-point rise in value-added tax (VAT) to 15 per cent, carried out to bring Luxembourg more into line with its EC partners.

All in all, Luxembourg can boast that it is one of the few signatories to the Maastricht treaty that already fulfils all five criteria for economic and monetary union. As a small, open economy, however, it remains susceptible to weaknesses imported from the outside, particularly from Germany, its biggest trading partner.

Still, the ease with which Luxembourg has managed – so far – to ride out the current steel crisis is a far cry from the the country's heavy dependence, 20 years ago, on iron and steel which made it acutely vulnerable to the steel business cycle.

"At the peak in 1974, Luxembourg was, in per capita terms, the biggest steel producer the world has ever seen, producing 17 tonnes per head of population per year, against only half a tonne for the US," says Mr Michel Waringo, a director of Banque Générale de Luxembourg.

Since then, Arbed's size has been severely reduced, and the resulting slack in the economy has been taken up by the banking sector. In nearly 20 years since the steel industry shrank, the number of banks has increased fivefold to 192, giving the tiny Luxembourg capital more banks per square metre than any other city in the world.

The number of people employed by the steel industry has dropped sharply to just 8,000, from 28,000 in 1974, while the arrival of scores of new banks in the 1980s has increased employment in the banking sector to 15,000. Overall, services now generate 65 per cent of GDP, with banking alone accounting for 15 per cent, while traditional industry makes up 25 per cent of GDP – a near-reversal of the old ratios.

"It would be dangerous to go below this 25 per cent level," says Mr Georges Schmit, an industry specialist at the economic affairs ministry. "Luxembourg paid a heavy price in the past for relying on one sector, and policy now is aimed at a balanced, diversified economic structure."

Continued on Page 3

MIKADO

Luxembourg, where the first European Community institution was set up in 1952 and which has been chosen as the juridical and financial centre of the European Community, is ready to welcome the European Central Bank.

Located in the heart of Europe and easily accessible, the city of Luxembourg is the predestined site for the future European Monetary Institute. Here the fathers of Europe once installed the High Authority of the European Coal and Steel Community as well as the European Court of Justice. Later, the European Investment Bank and the Court of Auditors established in Luxembourg, thus strengthening further the financial vocation of the capital of the Grand Duchy.

Its cosmopolitan character, its political stability and the liberal attitude of its leaders have turned Luxembourg into a banking centre with international renown. And yet, despite this spectacular expansion, Luxembourg has preserved its human touch and beautiful surroundings, offering a quality of life appreciated especially by the many foreigners who have made Luxembourg their second home.

Those who, in 1965, entrusted Luxembourg with the juridical and financial institutions of the EC, had many good reasons to do so. The most important among them has been certainly the efficient working in a neutral and *independent environment.*

Apparently, there seems to be some difficulty in choosing the best location for the European Central Bank.

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THE STOCK EXCHANGE

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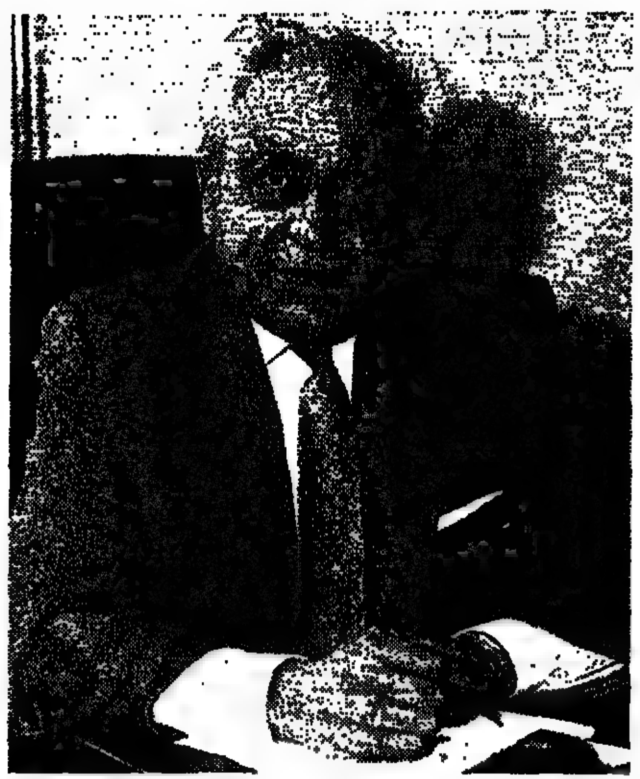

Edmond Israel: the bourse is meant to be a marketplace

THE TINY Luxembourg stock exchange hopes to evolve into a real centre for the trading of securities, building on its success as a centre for their listing.

The exchange, located in unprepossessing premises above a shopping arcade in the Grand Duchy's capital, has already proved that it is a listing centre to be reckoned with: the bourse is "home" to more than 10,000 securities, most of them international and many denominated in some 20 currencies other than the Luxembourg franc.

Eighty-eight per cent of the world's outstanding Eurobonds are listed in Luxembourg, with the exception of Euro-Mark bonds, which tend to be listed in Germany.

The bourse also lists up to 95 per cent of all the bonds denominated in Ecus, barring the big British and French sovereign issues which were made partly to press their own countries' case for capturing more Ecu trading. Luxembourg has also capitalised quickly on the trend towards investment funds, listing 1,680 domestic and foreign funds.

Having put itself on the map as a listing centre, Luxembourg now wants to boost the modest volume of trading that takes place on its floor. In fact, one important strategy – new computer-assisted trading – will mean that traders no longer have to be physically present on the trading floor itself.

The new system, which is being introduced in phases for some types of securities and which has met with some delays since its introduction in April 1991, means that there is no difference between trades done from a trading station on the floor itself and those executed from the premises of a bourse member's offices elsewhere in Luxembourg.

The bourse has also reformed the fee structure, in an attempt to attract newcomers to the exchange's current list of 84 members and thereby boost liquidity. Instead of taking a percentage of the commission income generated by members, as before, the stock exchange has started to charge flat fees, which means that members will pay relatively less the more they use the exchange as a trading vehicle.

At the same time, the previously mandatory schedule of fees which banks and brokers charged clients has now become a "recommended" table, enabling market parties to decide among themselves what the fee level should be.

Another plan is for the lengthening of trading hours for the most actively traded categories of securities. At present, trading is limited to between 10.45 am and 1.15 pm. A decision on which securities will fall under the expanded hours has not yet been taken, but the most likely candidates are the most active Luxembourg franc and Ecu bonds, as well as the more international companies' shares, such as Arbed, the Luxembourg steel group; Shell; and Philips, the Dutch electronics company.

Eventually, Luxembourg hopes to be able to offer continuous trading in key listed securities. At the moment, it operates a "rotated" market, in which each security is called in succession, with trading taking place only when the bond or share has actually been called.

Together, the bourse's various initiatives are designed to lure "off-exchange" transactions between banks and brokers back on to the Luxembourg exchange.

"We realise that quite of lot of transactions will still continue off the exchange," says Mr Edmond Israel, the stock exchange's chairman. "But the bourse is meant to be a marketplace, and that means that we need to increase our trading volume."

Trading volume in 1991 totalled LFr 34.85bn (£700m), a rise of 32.5 per cent on 1990, mainly reflecting a higher level of trading in fixed-interest securities. Volume in the 1992 first half rose by a more modest 5.5 per cent to LFr19.1bn, compared with LFr18.1bn a year earlier.

Despite these increases, Luxembourg's is still one of Europe's smallest bourses when measured by turnover alone. Unlike many other exchanges, its turnover is heavily weighted towards bond trading, reflecting the country's small pool of listed corporations.

Of the 1991 turnover figure, just one-seventh was generated by stocks and shares. And of the top 10 traded shares, two are foreign – Philips and Royal Dutch/Shell. All told, the bourse numbers only 70 domestic shares – the biggest of which are Arbed and the country's banks – and 196 foreign shares.

Mr Israel says that the bourse hopes to increase the number of stocks and shares, both domestic and foreign. But he adds that every European stock exchange should identify and emphasise its strengths and areas of specialisation, which, in the case of Luxembourg, are bonds and investment funds. "I don't believe that it is wise, or even possible, to do everything," he says.

"We have to be realistic," Mr Israel explains. "The size of the country is such that the international part of the bourse, particularly the international bonds, naturally far exceeds the Luxembourg part, particularly the domestic stocks and shares sector."

Ronald van de Krol

Official price list

	1989	1990	1991 1st half	1991	1992 1st half
Bonds	6,972	7,424	7,504	7,488	7,249
National	94	104	107	113	124
International	6,878	7,320	7,397	7,375	7,125
Stocks and shares	252	260	269	264	266
National	62	61	65	70	70
Foreign	190	199	204	194	196
Investment funds	1,010	1,369	1,483	1,589	1,680
National	963	1,339	1,455	1,565	1,657*
Foreign	47	30	28	24	23
Total	8,234	9,053	9,256	9,341	9,195
Warrants & others	906	1,073	1,143	1,153	1,090

* Issued by 552 various legal entities

Source: The Luxembourg Stock Exchange

Concerns focus on the location of the European central bank

No qualms over union

UNLIKE SOME people in Britain or Germany, Luxembourgers don't worry about the prospect of giving up their currency for the greater good of European monetary and economic union (Emu).

After all, nobody under the age of 70 can remember the days before Luxembourg entered into a monetary and economic union with neighbouring Belgium in 1922. For nearly three generations, Belgium's central bank has determined Luxembourg's monetary policy. As a result, Belgian francs have become fully interchangeable with Luxembourg francs throughout the Grand Duchy.

When shopping, Luxembourgers do not know or care whether they are paying with Luxembourg or Belgian francs: the two currencies look different but are of equal value.

Still, to many people in Luxembourg, a single European currency is preferable to the link with the Belgian franc. Memories of the Belgian franc's surprise devaluation in 1982 – when Belgium failed to warn the Luxembourgers that their own currency would also be worth 8 per cent less than the day before – have not entirely faded.

"The advantage for us is that we'll have a governor in the new European central bank, and that we'll have a say in policy as well as a stake in its capital," says Mr Jean Asselborn, leader of the Socialists in parliament.

The only element of Emu that does cause excitement in Luxembourg, at least at the higher levels of the financial community and the political élite, is the question of where the European central bank will be located.

Luxembourg has staked its claim, based on a 1965 agreement; but many other European cities have put forward their own candidacies, and Luxembourg's best chance seems to lie in deadlock between the big EC members.

Whatever the location of the European central bank, tiny Luxembourg, with its heavy reliance on foreign workers and foreign exports, has little choice but to look to Europe for its future. "A Luxembourg without Europe or Europeans is not possible," Mr Asselborn says.

Not surprisingly, then, Luxembourg had few fundamental qualms about having ratified the Maastricht Treaty in July, making it the first EC member to do so. Although controversy surrounded the move, the debate concerned procedural matters, focusing on the question of exactly when the Luxembourg constitution must be changed in order to take account of Maastricht, rather than on the merits of greater union in monetary, financial and security matters.

Opposition Liberals argued that elections had to be called before ratification could take place, in line with the normal procedure for any planned change in the constitution.

The government, a coalition of the Christian Social party (comparable with Christian Democrats in other European countries) and the Socialists, said the changes to the constitution could wait until 1994, the date of the next scheduled elections.

This was because the one provision in the treaty requiring a change to the constitution – the right of EC nationals to vote in the local and European elections of EC countries – will not come into force for Luxembourg until at least the second half of the 1990s.

The treaty's granting of voting rights to EC nationals is a sensitive matter in Luxembourg, where more than a third of the population is foreign. In the capital alone, up to 45 per cent of residents are foreign, most of them from elsewhere in the EC.

In a country as small as Luxembourg, local government is just one step below national government, lending much weight and significance to town politics. "The reality behind municipal elections is very different from country to country in the EC," says the mayor of Luxembourg City, Mrs Lydie Wurth-Polfer.

The issue is so contentious in the Grand Duchy that the framers of the Maastricht treaty said postponements would be possible for countries facing special problems. This assurance, drafted specifically for Luxembourg, means that, although foreigners could theoretically be allowed to vote in 1999 (the first local elections after the scheduled change in the constitution), they may not be able to exercise this right until the next poll in 2005.

Similarly, Portuguese, Italians and other non-Luxembourgers from EC states will not be able to vote in elections for the European parliament until 1999 at the earliest.

Thanks to its externally-orientated economy – exports account for nearly 85 per cent of GDP – Luxembourg will not have to make wrenching changes to prepare for the single European market

Thanks to its externally-orientated economy – exports account for nearly 85 per cent of GDP – Luxembourg will not have to make wrenching changes to prepare for the single European market. But it will have to adapt to new challenges, not least the opening up of public procurement tenders to other EC competitors.

In practice, smaller Luxembourg companies, which were used to focusing on their own home market, will probably find greater competition from companies in the "Saar-Lor-Lux" region, which embraces Germany's Saarland and parts of Rheinland-Pfalz, France's Lorraine, the Belgian province of Luxembourg, and Luxembourg itself. In this region of 6m people, Luxembourg not only forms the geographic nucleus but also exerts the greatest economic attraction, because of its prosperity.

Mr Etienne Reuter, the head of operational consultancy at Arthur Andersen in Luxembourg and project manager of a study into medium-sized companies in the Saar-Lor-Lux region, says: "Construction companies in the region find Luxembourg attractive, because of its high purchasing and the government's active investment programme." To compete, Luxembourg builders will have to look beyond their national borders for opportunities in neighbouring regions.

Mr Reuter believes the region holds big economic potential for companies in all four countries, but says "national borders are still a problem for smaller companies." More and better information is needed to help companies throughout the Saar-Lor-Lux to take advantage of the single European market on their doorstep.

Ronald van de Krol

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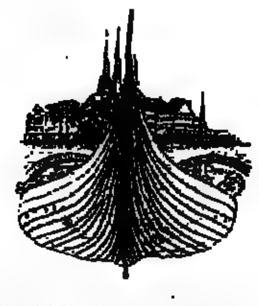

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22.01-24.01: VAKANZ '93- Tourism-Show
06.03-14.03: EUROPLEINAIR- European Trade Fair for Leisure and Open-Air
11.03-14.03: ANTIQUES AND FINE ARTS EXHIBITION
27.03-28.03: INTERNATIONAL DOG SHOW
25.04-28.04: EUROPE-MEUBLES FURNITURE SHOW BELGIUM-LUXEMBOURG
15.05-23.05: LUXEMBOURG INTERNATIONAL TRADE FAIR (Consumer goods)
18.09-19.09: BRITAIN IN LUXEMBOURG
09.10-17.10: LUXEMBOURG INTERNATIONAL TRADE FAIR (Investment goods)
23.10-24.10: KRUSE INTERNATIONAL- Collector Car-Show & Auction
26.10-29.10: BUREAUTEC- Interregional Trade Show for Office and Communication Technology
26.10-29.10: INTERNATIONAL BANKING SEMINAR
08.11-10.11: COMREGIO- Municipal Day with specialized exhibition
17.11-19.11: I.N.R.R.- International Symposium and Trade Show on Road Development and Safety
18.11-20.11: INTERNATIONAL UNIVERSITY & PROFESSIONAL TRAINING INFORMATION SHOW
25.11-28.11: AAA '93- Arts • Antiques • Actualities
27.11-28.11: BAZAR INTERNATIONAL

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PROFILE: JEAN-CLAUDE JUNCKER

Waiting in the wings

AT 37, Mr Jean-Claude Juncker is a young man seemingly in no hurry to assume what most Luxembourgers take for granted will be his destiny – to become prime minister, perhaps for a decade or two.

The Grand Duchy's finance minister (he also holds the labour and social security portfolio), Mr Juncker has enjoyed a fast-track ascent through the ranks of government and of his Christian Social party – mirroring those of the current premier, Mr Jacques Santer, and his predecessor Mr Pierre Werner.

But Mr Santer, aged 55, appears in no great haste to hand over the reins of power, and there has been widespread speculation that Mr Juncker might take a sabbatical as an EC commissioner in Brussels, starting at the beginning of next year.

The suggestion was made to the Luxembourg government by Mr Jacques Delors. The Commission president was apparently impressed by Mr Juncker's performance during Luxembourg's EC presidency in the first half of 1991, when he helped steer negotiations on economic and monetary union (Emu) towards agreement in Maastricht, and brokered agreement on harmonisation of indirect taxes, a vital element of the single-market programme.

The putative commissioner is non-committal about his future: "It's up to the government to decide, and I am not privy to all its secrets." If Mr Juncker does not, after all, go to Brussels, it may be because there is no obvious replacement capable of filling his shoes at the finance ministry.

Born in the small town of Rédange-sur-Attert, on the Belgian border, he inherited a taste for politics from his uncle, a Christian Social party MP and mayor of the northern city of Ettelbruck.

Like many Luxembourg politicians, he has a degree in law (from Strasbourg), but has never practised. After leaving university, his first job was as parliamentary secretary for his party, and it was from this position that he was abruptly brought into government in December 1980, at the age of 28.

Juncker: patience seems to be one of his virtues

Initially secretary of state (junior minister) for labour and social security, Mr Juncker was promoted to full minister in 1984. He inherited the finance ministry, one traditional stepping stone on the way to the premiership, five years later, and another, the chairmanship of his party, two years ago.

The nearest thing he has known to a setback to his career was a serious car accident in 1989, in which he suffered a broken leg and collarbone.

According to those who know him well, the accident has enhanced Mr Juncker's already strong sense of public duty, even mission, as well as his confidence in his own ability to carry this out.

He presents a somewhat austere public image. Unlike many of his ministerial colleagues, he is no social gladhander, and is notably frank and direct in conversation – something which has tended to make Mr Juncker a lightning rod for criticism from the domestic political opposition.

Two years ago, when he introduced a realignment of personal income tax rates, he was singled out for attack because certain taxpayers, who had been favoured under the previous system, notably widows and divorced and separated women, found themselves less well off.

Last December he was again in the front line, when Luxembourg decided to implement a reshuffle of VAT rates, intended to meet post-1992 EC requirements, a year ahead of schedule. But the personal criticism seems to leave him unmoved.

Now, Mr Juncker has a new challenge – to bring home to Luxembourgers the fact that the free-spending days of the 1980s are over, as the 1990 tax reform and economic slowdown plunges the government budget into deficit for the first time since 1984.

He says: "I don't have the impression that [my] analysis has been much listened to during the past few years. I don't think politicians, or Luxembourgers themselves, have really understood that the fat years are over – or even members of the government."

The message may be getting through, with Mr Juncker's draft budget for 1993, which takes an axe to or defers several big public works projects, including a new motorway, a national indoor sports centre and, most notably, the controversial modern art museum designed by I.M. Pei.

It is a source of pride to Mr Juncker that Luxembourg is one of the handful of EC members which meets the Maastricht criteria for membership of the single-currency club, and he intends prudence to remain the watchword: "Greece, Belgium and other countries show what happens when public spending gets out of hand."

He is a strong supporter of European union – and also of the EC Commission, which he views as a vital bulwark for the smaller EC nations against being steamrollered by their bigger neighbours.

Mr Juncker has little time for politicians who blame the Commission and its supposed meddling for domestic problems. "The Commission proposes, the Council disposes," he says, and to suggest otherwise is "mediocre thinking". No wonder Mr Delors wants him in Brussels.

Simon Gray

Predictions of banking gloom remain unfulfilled

Patient still healthy

ABOUT a year ago, analysts were predicting that a combination of competitive, regulatory and economic were conspiring to send Luxembourg's financial industry – the main pillar of its GDP and employer of nearly 10 per cent of its workforce – into a steady decline.

Evidence certainly pointed to tougher times. In 1990, profits in the banking sector had been squeezed hard by competition and extensive provision against problem loans. The number of new banks lining up to set up shop in the Grand Duchy was tailing off and new competitors, such as Dublin, threatened growth areas such as investment funds.

At the same time, Luxembourg was reckoned vulnerable to renewed efforts by its EC partners to abolish the advantages offered by statutory banking secrecy and the lack of a withholding tax on investment income for non-residents.

Such moves, it was said, would dampen the attraction of Luxembourg for private investors, just when their confidence in the stability of the Grand Duchy's banks had been rocked by the collapse of the Bank of Credit and Commerce International.

Finally, banking in Luxembourg appeared to be pricing itself out of business with a lethal combination of exorbitant salaries and inflated property costs. Attempts to rein in personnel costs threatened to shatter one of the sector's vital assets – an almost strike-free tradition.

Yet a year later, the patient stubbornly refuses to sicken. Many of the troubling indicators – such as profitability – have turned upward again. New regulatory constraints remain below the horizon. And the financial sector seems to be achieving a leaner, more competitive profile.

Quality is more important than quantity, says Mr Pierre Jaans, director of the Grand Duchy's regulatory body, the Luxembourg Monetary Institute (IML), refering to the authorities' policy of encouraging only top-drawer financial institutions to set up subsidiaries or branches in the country.

It is a policy which has gained more importance since the demise of BCCI in July 1991. Mr Jaans argues that the fraud-ridden bank was a legacy of the much more lax regulatory regime prevailing throughout Europe in the 1970s, and that such a bank would not be given a licence today. For example, he says the IML would not now accept a bank which had a Luxembourg holding company as a leading shareholder.

Although Mr Jaans and his colleagues do not acknowledge it, observers believe a discreet "spring-cleaning" operation is under way as various institutions with connections to BCCI or not seeming to meet the new standards of transparency on which the IML insists are politely invited to take their business elsewhere.

Other banks (such as the loss-making subsidiary of Britain's TSB), have quit Luxembourg for a variety of reason's, while the ranks of Scandinavian and German regional banks have been thinned by mergers.

Even so, at the end of August, Luxembourg boasted 192 banks, not far short of the 200-mark viewed by Mr Jaans as a rough natural limit. Recent newcomers have included several institutions from Germany and Italy, and a new contingent from South Korea.

Pierre Jaans: 'quality is more important than quantity'

The new arrivals have found a more hospitable economic climate. While growth in the aggregate balance sheet total of Luxembourg banks slowed to a crawl in 1991, net profits increased by nearly 25 per cent, to LFr23.8bn, practically their record level of 1989, even after extensive creation of reserves and provisions.

Just as importantly, the IML's annual report for 1991 records a slow but steady move away from reliance on interest income, where margins are being squeezed by competition, as a source of revenue.

The share of interest income has declined as a proportion of total gross results from 80 to 73.5 per cent since 1987, thanks in large part to growth in commission income and profits from securities dealing.

Nor does the investment fund sector seem to have suffered unduly from the competition. During the first eight months of 1992, the number of funds established in Luxembourg grew from 898 to 983, and their aggregate net assets soared by 30 per cent to 5,200bn francs.

Meanwhile, banks have been tightening their belts. Employment in the financial sector, which grew by more than 6,000 between 1984 and 1990, has if anything declined since then. Redundancies in the course of mergers or restructuring efforts have become a regular occurrence this year, and most banks not actively shedding jobs are no longer hiring new staff.

This means a difficult environment for trade unions as they seek to wrest concessions from Luxembourg Bankers' Association (ABBL) negotiators in a long wrangle over a new employment structure for the sector.

The banks want changes in a complex and inflexible salary structure which will allow them to tailor pay more to responsibility and performance, and less to educational qualifications and seniority.

The unions, which feared this would be used simply to lower pay levels, called a one-day strike last year which attracted some 11 per cent of the total workforce. Afterwards the two sides agreed to work out a compromise based on standards prevailing in rival financial centres, but this has proved elusive. Last February's deadline for agreement is long gone and banks and unions remain far apart.

While there is no immediate threat of unwelcome new EC rules which might discourage private banking, the government is slowly moving toward new rules in areas such as tax fraud. This, and stiff measures against money laundering, may erode the edges of banking secrecy, but many Luxembourg bankers say that would be no great disaster for the sector.

It is appropriate that the ABBL's president, Mr Charles Ruppert of the Kredietbank Luxembourgeoise, began his career as a teacher. Education is now the watchword within the industry, with the association leading an effort designed to ensure it is expertise and quality of service which makes Luxembourg stand out from its rivals.

The Luxembourg Institute for Training in Banking was established by the ABBL in 1990 to co-ordinate and expand its training activities in areas ranging from apprenticeship-style courses to language classes (and work experience programmes for bankers from eastern Europe).

The Luxembourg Banking Academy was created earlier this year, with help from institutions in Britain, France and Germany, to offer courses enabling specialists to become all-round bankers. If the initiative is successful, the programme may be transformed into a fully-fledged MBA.

Simon Gray

Tripartite approach worked

Continued from Page 1

Mr Lucien Jung, managing director of Fedil, the Luxembourg industry federation, believes that a target level of 30 to 35 per cent would be healthier for the economy. Individual investments by companies in the banking and financial services tend to be lighter than those in manufacturing industry, making them more transient and less dependable.

"If they [the banks] can earn 10 per cent more in London or Zurich, they leave. But if an industrial company makes an investment of LFr1bn [£20m], it's bound not to leave so quickly," he argues.

The banking community counters this argument by pointing to the recent heavy investment by foreign banks in new, purpose-built premises and their new-found efforts to step up the training of staff.

The ultimately successful move away from an over-reliance on steel was achieved by the use of what has come to be known as the "Luxembourg model". Under this tripartite approach between industry, government and the unions, Arbed promised not to push through forced redundancies, the unions pledged not to strike, and the government agreed to help promote industrial restructuring.

Another part of the model, still at the country's disposal, is the use of "short-time" working schedules to bridge the peaks and troughs in demand at otherwise healthy companies. The latest company to introduce short-time is Villeroy & Boch, the German-based manufacturer of porcelain, tiles and sanitary fittings, which employs 1,400 people at a tableware factory in Luxembourg.

Some 1,300 of these employees were put on short-time schedules when the factory was closed for two weeks in September and October. Similar measures are expected later in November and December, to help the factory weather a drop in demand on recession-plagued foreign markets. Government funds, raised by a "solidarity levy" on taxpayers, ensure that employees receive up to 80 per cent of their normal full-time salary while production is shut down.

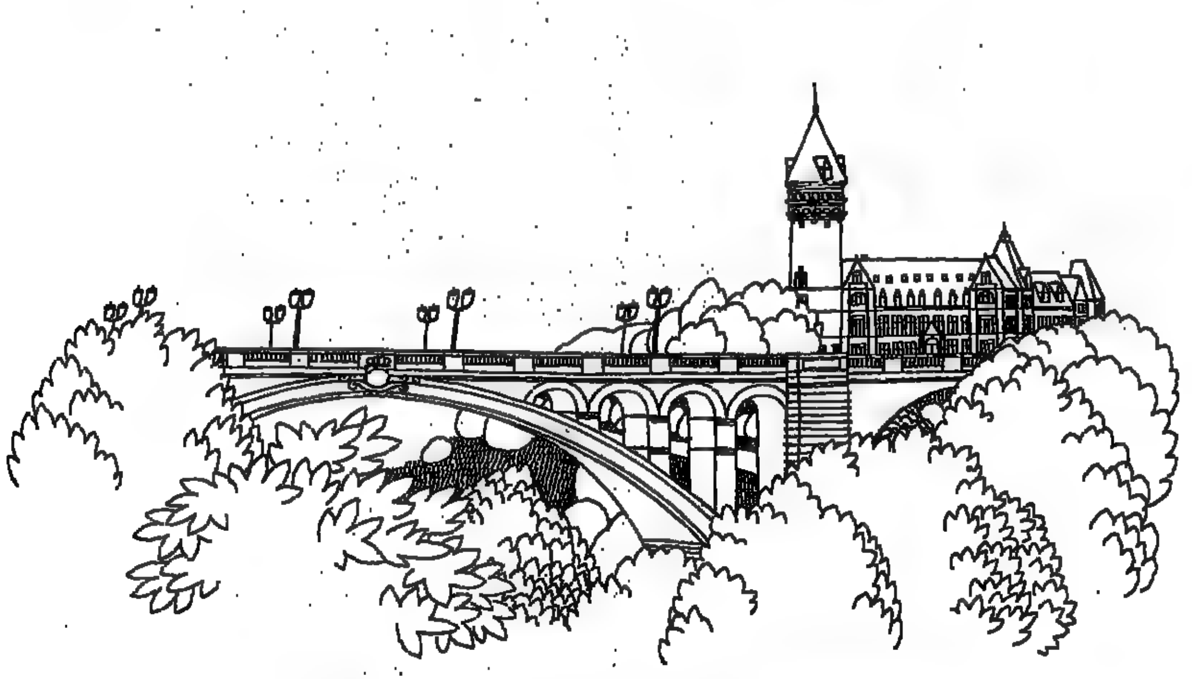
Short-time work schedules are one of the reasons why Luxembourg has such a low rate of unemployment. Only 2,800 people, or about 1.7 per cent of the working population, are registered as out of work, putting the country close to achieving the near-impossible feat of full employment.

But Mr Schmit, of the economics ministry, points out that national statistics are perhaps inappropriate for gauging Luxembourg's labour market. Purely national statistics do not include the 44,000 cross-border commuters who stream into the Grand Duchy every working day from Germany, France and Belgium, filling jobs for which there are simply no more Luxembourgers available.

This heavy dependence on non-Luxembourg labour – including foreigners living within Luxembourg and those living just outside – puts the country in a unique position within the Twelve. Forty-five per cent of jobs in Luxembourg are held by non-nationals, mainly immigrants from Italy and Portugal and their children.

For the time being, Luxembourg is finding enough foreign workers to keep its factories and offices running. But in the longer term, its reliance on crucial non-national labour is a worry for corporate recruiters and government policy-makers.

Ronald van de Krol



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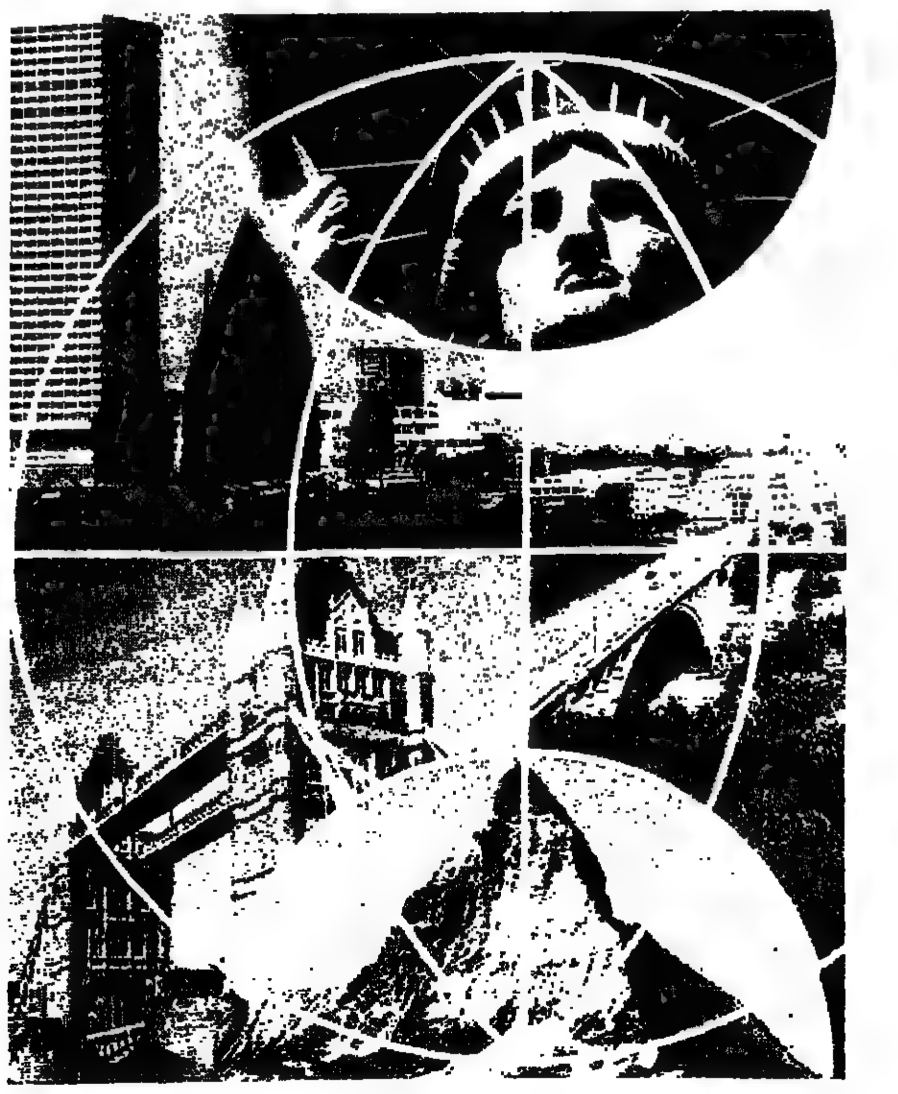

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CONTRACTS

Bulgarian railways project

An order for a railway restructuring study for Bulgarian State Railways valued at Ecu600,000 (£483,000) has been won by **KENNEDY & DONKIN TRANSPORTATION** in association with **CIE CONSULT (IRELAND)** and **KPMG MANAGEMENT CONSULTANT** against international competition.

The contract, funded by the EBRD, relates to a 4,500 track kilometres railway system.

The aim of the study is to determine how to move BDZ from an inward-looking state-supported monopoly in a regulated economy to a market-driven, commercially-led enterprise operating in a radically changing economy.

Kennedy & Donkin Transportation will lead a team to: assess the manner in which the Bulgarian economy will change in the years ahead, and establish the resulting future demand for all railway services; identify the organisation, systems, management style and activities that BDZ will need to enable it to provide a quality of service acceptable to its customers while at the same time producing adequate long-term financial returns; help to create new policies, guidelines and statutory and institutional frameworks to give BDZ the freedom to manage its business commercially and effectively; and design and agree a modernisation programme that will enable Bulgarian Railways to compete within the integrated European railway network of the future. Completion of the project is scheduled for September 1993.

Mining equipment

INGERSOLL-RAND has been awarded a US$6m (£3.84m) order for DM-H blasthole drills for Codelco's Chuquicamata mine in Chile.

In Ecuador, Ingersoll-Rand has won an order for a second LM-401 hydraulic blasthole rig for a reservoir enlargement project in Guayaquil. The order was won by the Ecuador distributor, Ecuaire.

The DM-H blasthole drill is part of the DM range of large blasthole drills used in quarries and opencast mines.

£24m orders won by Mowlem

BARCLAY MOWLEM, the Australian division of John Mowlem Construction, has won contracts in Queensland, New South Wales and the Northern Territory together worth nearly £24m.

Two are road contracts. The largest, worth £4.87m, is for a 9km twin lane dual carriageway deviation of the Hume Highway south of Goulburn in New South Wales, to bypass the Cullarin mountain range. The project involves laying 9km concrete road to a thickness of 355mm, linemarking, guard rail fencing and drainage. The client is The Roads and Traffic Authority of New South Wales. Work has started and completion is scheduled for February 1993.

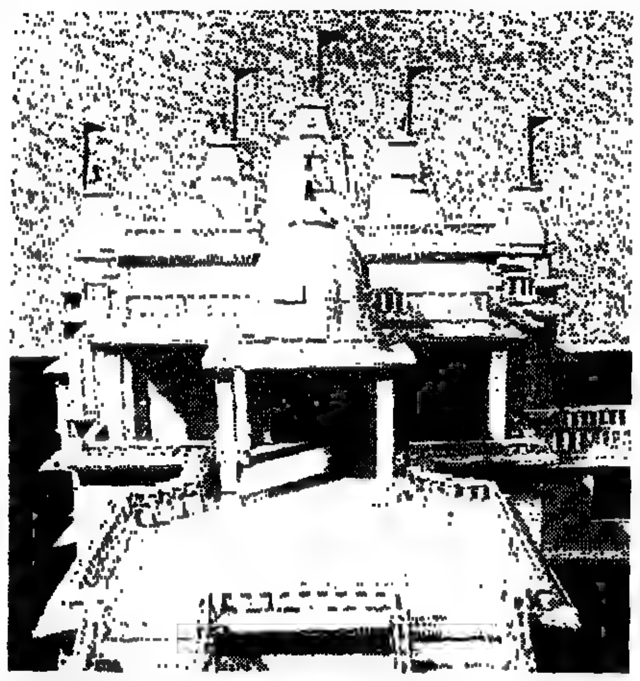
The second project, also for The Roads and Traffic Authority of New South Wales, is valued at £1.69m and is for twin road bridges over Smithfield Road and Polding Street roundabout in the Smithfield district of Sydney. Work has started on site for completion in March 1993.

In the educational field work includes three contracts at Queensland University totalling £7.2m, including the design and construction of stage 3 of the anatomy and therapy building, three accommodation buildings at Emmanuel residential college and the three-storey CSIRO plant growth building.

In New South Wales Barclay Mowlem is building stage 3 of the Lidcombe TAFE College (£2.1m) and town houses in St Ives (£2.9m).

In the Northern Territory, the company is constructing air defence facilities worth £4.65m for the Department of Defence at Tindal.

London temple plan



SZERELMEY COX, part of the John Lelliott Group, has been awarded a £650,000 contract to quarry and supply Bulgarian stone for a Hindu temple *(pictured)* to be built in London.

Over the next two years the company will oversee the quarrying of 6,500 tonnes of the best quality stone from Vratsa, Bulgaria.

Involving 360 lorry loads, the stone will be transported to Varna on the Black Sea and shipped via the Suez canal to Bombay.

Indian craftsmen will then carve the stone before it is shipped to England for the construction of the temple in Brentfield Road, Neasden, under the auspices of the Swaminarayan Hindu Mission, part of a worldwide movement.

School equipment scheme

TECQUIPMENT, Nottingham, has signed a £10m agreement to supply equipment and services for up to 150 technical and craft schools in Ghana.

Funding is being sought under the British government's aid and trade provision, comprising an Overseas Development Administration grant of £3.5m, combined with a buyer credit facility of £6.5m.

Transport study in Pakistan

MOTT MACDONALD has been commissioned by the Lahore Development Authority in Pakistan to undertake the feasibility study and design for a ring road about 53km long around Lahore. This is being carried out by Mott MacDonald in association with MMP Pakistan (Private) and Engineering Consultants of Karachi.

The project is split into three phases - review and assessment of current and future traffic demand for the whole ring road; route selection, alignment, engineering and economic appraisal for the priority south western quadrant where traffic congestion is particularly acute; and detailed design of the south western section plus preparation of contract documents.

The Lahore Development Authority has also asked Mott MacDonald to carry out an environmental impact assessment of the whole ring road and to train its staff in traffic assessment and the development of traffic models.

Lahore is a rapidly expanding city with a current population of four million. As growth is physically constrained to the north and west by the flood protection bunds of the Ravi river, major expansion is planned south of the existing city.

The Lahore ring road project is funded by the International Bank for Reconstruction and Development under an IDA credit. Construction of the south western priority section is likely to start in 1994.

PEOPLE

Steve Bullock elected to chair ALA

Steve Bullock, leader of Lewisham Council, has been elected to succeed Margaret Hodge as chair of the Labour-dominated Association of London Authorities.

Bullock, 39, hit stardom as the friendly face of local government in the BBC's serial "Town Hall" broadcast earlier this year. The Council made a less than glamorous show – for all its "we-got-to-the-Citizen's-Charter first" rhetoric. But Bullock's no-nonsense bluntness scored high, for all his penchant for floral ties.

Leader of Lewisham for four years, Bullock has spent most of his life in local government. He worked for the Greater London Council in the 1970s, was elected to Lewisham in the early 1980s, and was deputy leader by 1985.

Bullock, who was married last week in New York, has a hard act to follow. Margaret Hodge consigned the loony left to the dustbin and achieved the unthinkable – making the case for an elected Greater London authority respectable after Ken Livingstone.

"My priority will be to ensure that London's voice is heard loud and clear in centres of power," Bullock said yesterday. "The absence of a strategic authority for the capital has left the capital falling behind in Europe and we need to restore it to world-class status again."

If he is serious about the voice, his first job will be to get all London's Labour and Tory councils into one association; such was the bitterness of the 1980s that the capital's Tory councils have their own.

Alas, he might find it easier to resurrect the GLC – or to follow Margaret Hodge into the lucrative private sector, advising consultants on local government.

Bullock: left-leaning

Leighfield retiring from AT&T Istel

John Leighfield is retiring as executive chairman of AT&T Istel, provoking a game of musical bucket-seats at the US-owned company which was once the computing arm of British Leyland.

The new man at the top will be Peter Teague (right), 38, currently the company's director of finance and corporate services.

The present group chief executive, Chris Chiles, 48,is moving to the US as marketing vice-president in AT&T's Business Communications Services Business Unit, where he will have special responsibilities for Europe.

John Leighfield, still only 55, is both well known and highly respected in Europe's computing services community. Formerly with Ford and Plessey, he joined Leyland in 1972 to pioneer the establishment of a separate IT services company, BL Systems.

He played a leading role in the negotiations which led to a majority stake in the company being sold to its management in 1987, and its subsequent sale to AT&T in 1989.

He will remain a non-executive director of AT&T Istel, thus leaving more time for his hobby of cartography and his role as a professor at Warwick University.

Peter Teague, a mathematician and chartered accountant, was formerly a financial adviser with Arthur Young where he was involved in Istel's management buy-out. He joined the company in 1987.

Lay members for Revenue

The Inland Revenue has announced the names of the two private sector members of its new management board, which was launched in April this year as part of a series of wider reforms.

Lady Wilcox, chairman of the National Consumer Council, and Sheila Masters, a partner in KPMG Peat Marwick, the accountancy firm, are joining as non-executive members.

Masters, a chartered accountant, is no stranger to the challenges facing large organisations undergoing change. She was seconded from KPMG to the National Health Service as director of finance to the management executive and since her return, has helped co-ordinate the firm's internal reorganisation, called 20/20 vision.

The chancellor of the exchequer announced in March that "a number of members from the private sector" would be added to a new management board to provide expertise, experience and advice to the department.

The existing seats on the management board are held by the five members of the board of the Inland Revenue, and a further six senior revenue officials.

The Revenue expects to appoint a number of other private sector members over the next few months.

■ **Pannell Kerr Forster Worldwide**, the international accountancy firm network, has restructured its top management following the unexpected death of Claude Brown, the former executive chairman.

Frank Hughes, currently chairman of the firm's Americas region, will become temporary international chairman for a second term. He will be replaced by Tim Richmond, managing partner of the UK firm, on July 1 next year.

Eric Tait, currently director of European operations, becomes international executive director and will report to the chairman.

Richmond – who becomes vice chairman until July 1 – will act in a non-executive role and continue as managing partner in the UK.

Guillermo Williams of SAlles Sainz y Cia, the Mexican member firm, will chair the Americas region, and Ton Wallast of Wallast & Stam, in the Netherlands, chair for Europe.

Non-executives

It really is the end of an era for Quicks, the once family-owned group of car dealerships from which Mancunians have been buying their Fords since time immemorial – or at least from soon after Ford first began assembling cars at nearby Trafford Park in the early 1900s.

For the first time there will not be a Quick in the chair when the current incumbent, Norman Quick, retires at the end of the year having reached the age of 70.

In line with the current chairman's long-held objective of bringing in outside blood to strengthen the board, he will be succeeded by Michael Moore. The versatile Moore is chairman of Tomkins and The Bank of Edinburgh Group and a director of Linx Printing Technologies, as well as being chairman of the NSPCC.

Moore will serve as a non-executive director until he takes up the chairmanship on January 1, when Norman Quick will also become Quicks' first life president.

■ Ian Hargreaves at CLAREMOUNT UNDERWRITING AGENCY.

■ William Croft and Heinz Moonen at MULTITONE ELECTRONICS' German subsidiary, after they retire as group technical director and md respectively at the end of December.

■ Richard Wevill, joint md of Causeway Investment Management, at VARDON.

■ Martin Rafferty, chairman of United Drug, Readymix, Ulster Investment Bank and the Irish Industrial Development Authority, at GREENCORE.

Hans van Oosterom, Executive Vice President Strategic Planning Akzo:

This small

"Dealing with Akzo means dealing with business units who are right in the forefront of their chosen field. So it may surprise you that we haven't the slightest inclination to become one of the world's largest chemical companies. We much prefer to be big in the areas we choose. Yes, we make acquisitions. But never just to grow bigger. Only if it adds value to our existing operations. Yes, we penetrate new markets. But only if we're pretty sure we can do a better job than the competition. We don't want to be the biggest. We do want to be the best. And for that, you have to create the right chemistry."

Akzo is one of the world's leading companies in selected areas of chemicals, fibers, coatings, salt and health care products. Some 63,000 people, active in 50 countries around the world, make up the Akzo workforce. For more information, write or call: Akzo nv, ACC/F2, P.O. Box 9300, 6800 SB Arnhem, the Netherlands. Telephone (31) 85 66 22 66.

CREATING THE RIGHT CHEMISTRY AKZO

Innovation – but only for the minority

Ten years on, Christopher Dunkley assesses the achievement of Channel 4

Channel 4 is 10 years old this week and the plaudits are pouring in from the mediacracy. "It undoubtedly" (a give-away word meaning, I suspect this is an overstatement) "changed the face of broadcasting", according to independent producer Sophie Balhetchet who made *The Manageress* and *The Camomile Lawn* for C4. Can you imagine any other British channel showing such drama? You can? All of them? Well, yes, perhaps so.

"Channel 4 has admirably fulfilled every hope we had for it", enthuses Anthony Smith, once editor of the BBC's *24 Hours* and more responsible than anyone for shaping Channel 4's "publisher" concept. Smith praises C4 for "allowing all sorts of communities to have a greater stake in television... creating a following for things like American football". Few of us in the TV4 Campaign in the 1970s would have guessed that one of the aims of our co-agitator was to bring American football to British screens, but you live and learn.

Independent producer Michael Darlow maintains that the channel has done quite well: "Things have been freed up and new people have got in". Darlow, of course, worked for the BBC and ITV before working for C4. In the view of John Wyver, another independent, C4 "has immeasurably" – a bit like undoubtedly – "enriched British broadcasting". Mr Channel 4 himself, Jeremy Isaacs, who was Chief Executive for the first eight years, claims that "Channel 4 made the case for hour-long news". Of his successor, Michael Grade, he says "I give him high marks for the position the channel is in. I wouldn't want to be doing his job now. I've done what I could there and I'm now doing what I can elsewhere. And I'm learning to garden", a reference, presumably, to Covent Garden, the opera house of which Mr Isaacs is now General Director. And Grade himself? What does he think about C4? "Why should we change when things are going so well for us? We have a winning formula".

Since convention requires that for major anniversaries, as for funerals, we set aside our true feelings and offer only soft soap and bouquets, it might be argued that these panegyrics, all culled from recent broadsheet newspapers, are merely showpiece civilities for public consumption. Yet anybody who has followed the mediacracy's pronouncements about C4 over the years must doubt this. There has been widespread support for the claims made by C4's own personnel that the channel triumphantly fulfils its famous remit to encourage innovation and experiment and cater for tastes and interests not generally catered for by other channels, and that it wins about 10 per cent of the national audience. Both claims are true, but the implication that C4 wins its 10 per cent share *by* screening experimental or minority programmes is eyewash.

Treasure Hunt with Anneka Rice: ratings orientated

Anyone who actually likes television and watches lots of it knows this. Channel 4 is where we turn for the best contemporary American comedies (*Cheers, The Golden Girls*), for serious news if we want it early in the evening, and for vintage series (*TV Heaven, The Avengers, The Twilight Zone*). The current BARB ratings show that The Top 20 programmes on C4 comprise five American comedies, five editions of a game show, three episodes of soap opera, three British sitcoms, one old American drama series, one repeat from a popular ITV drama series, one old movie, and one documentary (*Animal Squad Undercover*) which achieves an unexpectedly high place because it has a repeat within the week.

Those, of course, are not the programmes which the mediacrats are talking about when they praise C4; there is not one which would look out of place on other channels. You do begin to wonder whether these people really watch television like ordinary viewers, or whether their ideas about C4 are formed more by the occasional whiz through a cassette and a lot of industry talk about the latest independent contracts. In the bar of the Groucho Club it is the programme description that really counts, not the fact that it will be transmitted to an uncaring world at lunchtime on a Saturday. It is worth remembering that one of Jeremy Isaacs' pet phrases when things became fraught at C4 was "Come on, it's only television", which brought mock-wry smiles from the book-bred, cinema oriented mediacracy.

Consider this evening's offerings from Channel 4: **The Magic Roundabout:** A French series brought to Britain 27 years ago by the BBC (repeat). **Treasure Hunt:** *Copy of a French game show* featuring frequent rear views of Anneka Rice in tight trousers (repeat). **Channel 4 News:** 50-minute early evening news copied (like every British TV news innovation for 30 years) from the US; sometimes nearly as good as BBC2's *Newsnight*. **Comment:** A real innovation; five minutes of personal opinion straight to camera. **Brookside:** Soap opera with an audience smaller than that for BBC1's much derided *Eldorado*. **Anton Mosimann – Naturally:** Old fashioned kitchen-bound cookery programme (repeat). **Dispatches:** Good current affairs series much like those on other channels. **Short And Curlies:** Worthy series of 10-minute films by new directors. **The Golden Girls:** American sitcom. **Packing Them In:** Embarrassingly poor variety show not saved by attempts to disguise an ancient format with backstage frolics. **The Prisoner:** Over-rated ITV "cult" series made by Lew Grade in 1967 (repeat). **The Steve Allen Show:** Cheap black and white 1950s American variety show. **The Best Of The Worst:** Clips from American shows. **Azaad:** Hindi film, starting at 1.10 in the morning.

Innovative? Experimental? Catering for minorities? Here and there, perhaps, in the nooks and crannies, for five or ten minutes in a six hour stretch. There is, however, one thing that should be said in defence of Michael Grade. The repeated suggestion that he is taking C4 down market and that this is shown by the large number of American imports merely proves again how little the mediacrats actually watch. It was under Isaacs that C4 pushed its American content up to a level above that of any channel in Europe; more than 30 per cent. My impression is that there are now rather fewer American programmes in prime time, though the over all proportion may remain much the same.

So is there nothing good to be said about Channel 4? Several things. It had enormous influence in creating a British independent programme sector which now numbers 700 to 800 companies; historically this may prove to be C4's most significant achievement. It showed that you can put opinion straight on the screen. While others were looking iffy, it championed freedom of expression (Isaacs and Grade both showed personal courage and deserve our gratitude). Above all its occasionally inspiring, occasionally irritating policies have been powerfully influential in the development of BBC2 into the most impressive channel for the demanding viewer in this country and perhaps the world.

No doubt this will be considered not merely a back-handed compliment but an insult, yet the point is a perfectly serious one. For 35 years Britain's broadcasting "duopoly" has proved a remarkably benevolent structure with the commercial side frightening and inspiring the public service side to greater efforts at popularity, and the public service side shaming and challenging the commercial side to greater efforts at prestige. The highly beneficial effects of C4 on BBC2 may be the final chapter in that story. Come January 1993, with C4 selling its own advertising and the new ITV franchises in force, British commercial television could disappear into the market enterprise vortex just as the BBC turns its back to begin the trek to the Himalayan uplands of quality and worthiness. The old fight in the centre for popularity *with* quality may well be abandoned, to the detriment of good popular television.

Alastair Muir

Paul Eddington and Harold Pinter

Theatre

No Man's Land

Harold Pinter returns to the British stage after 24 years, showing he can act as well as write. He takes the lead alongside Paul Eddington in his fine, perplexing *No Man's Land* (1975) at the Almeida Theatre and his acting teaches how to watch Pinter, cast off bafflement and put on enlightenment amid silences and the sense of important happenings: take each scene separately and trust your instincts.

No Man's Land follows *Betrayal*, *Mountain Language*, and *Party Time* into the Almeida since 1990. There is drama which builds models of the world, telling you what to think; and then there is drama like this, which leaves everything to you. Pinter excels in the latter.

Hirst and Spooner meet in a Hampstead pub, and return to Hirst's house. Hirst drinks, his attention strays; he takes Spooner for a stranger, then an old friend. Foster and Briggs make up Hirst's household, occasionally running it or run by it. The play unfolds in exchanges between these four. A scene shifts with a gesture or silence; by turns one character appears in charge, then cedes to another.

Given that *No Man's Land* is about not knowing what is going on, and the sense of dislocation that comes from that, the best hedge against confusion is to trust your reactions.

Parts of *No Man's Land* are extremely funny, the matter without the form of farce: mistaken identity, confusion, repetition. Pinter, like Oscar Wilde, uses the tension between the logical and the emotional import of the words. At the end of *No Man's Land*, Hirst says: "Let us change the subject. For the last time. What have I said?" Foster replies: "You said you're changing the subject for the last time." – "But what does that mean?" – "It means you'll never change the subject again." Pinter merely invites us to recreate the world in which this exchange is accurate: straight from A.J. Ayer to Zen.

Bob Crowley's black interior helps David Leveaux' direction keep the action gloomy; the actors move deliberately between the set's totems – drinks trolley, door, light, chair. The sense of significance hangs everywhere, sporadically crossed by moments of despair.

The evening is made by the acting. Eddington plays Spooner superbly. He delivers faded truths with a tilt of the head, tweedy awkwardness with a tug at the sleeve, Champagne confidence with a *hand in the pocket*. Opposite him, Pinter's fine Hirst, also stuck in no man's land, is plain and desperate, taking each sentence as it comes. Hirst says: "You find me in the last lap of a race... I had long forgotten to run." Spooner quips: "A metaphor. Things are looking up."

Andrew St George

Almeida Theatre (071 359 4404) until December 19

Sinfonietta celebrates

With its penchant for celebrating anniversaries, the London Sinfonietta is spending this season fêting its own twenty-fifth. Self-congratulatory, of course, but pardonable: most of the music in this series was, indeed, commissioned or co-commissioned by the Sinfonietta and its fraternal Voices, and on average the quality has been bracingly high.

Still, claiming "to have defined the course of contemporary music over these past 25 years" is a bit strong. Since the end of the 1970s, the course of "contemporary music" has branched into rivulets; the Sinfonietta has managed to dip a cautious toe into many of them, unlike more doctrinaire ensembles, but mostly it is loyal to its own favourites.

Saturday's programme at the Queen Elizabeth Hall started with Oliver Knussen conducting his own *Coursing* (1979), potent and thrilling as ever – first a wild unison tootling by everybody, gradually overlaid and underpinned by slower strands which at last make a towering wall of sound. All that in just six minutes!

The evening concluded with Elliott Carter's 1981 song-cycle *In Sleep, in Thunder*, which even in a superlative performance like this (the intrepid soloist was Jon Garrison) strikes me as one of his toughest pieces to digest. Six Robert Lowell poems are set to angular, high-flying vocal lines, no less vehement than the ensemble with its minatory trumpet. The idea must be to make the dramatic implications of the verse explicit – dark, troubled, bitter; as word-setting, however, it seems a long way off Lowell's quietly tense style.

In between we had Robin Holloway's gentle *Evening with Angels* (1972), and a characteristic idyll by Takemitsu. His 1988 *Tree Line* evinces all the qualities which have kept him laden with commissions from people wanting listener-friendly "new" music: tranquil and pretty, with its delicate sound-palette, in an idiom just a step beyond early Impressionist Roussel or Florent Schmitt.

A new piece by the émigré Dmitri Smirnov, *The River of Life* sounded equally sincere and out-of-its-time. Here, though, the harking-back was to Skryabin: not to his exacerbated harmony, but to his tremulous ecstasies. As the vision developed, a soulful trumpet sealed the resemblance. Skryabin himself, however, might have stopped short of putting harp, celesta *and* glockenspiel in unison to make his celestial effects.

David Murray

Music Theatre/**Andrew Clements**

Meredith Monk

In the broad church of American minimalism, Meredith Monk is a distinctive and refreshingly unpretentious voice. While the music of many of her contemporaries has become grandiose and self-regarding, Monk has patiently and quietly cultivated her own furrow, crossing and recrossing the boundaries between music, dance and theatre, developing her pieces out of the simplest vocal ideas and the most painstaking preparation.

In Houston last year Monk unveiled her most ambitious piece to date – the three-act opera *Atlas*, which Max Loppert welcomed warmly on this page. The performers brought together for that production are now touring Britain as the Meredith Monk Vocal Ensemble, offering an hour-long concert version of *Atlas* with the instrumental scoring boiled down to a pair of electronic keyboards and an assortment of arcane percussion.

A concert performance of such a work, however witty and musically expert, is necessarily a second best. In Monk's world the symbiosis between sound and gesture is a totally intimate one; each depends on the other for meaning and context. A sequence of non-verbal numbers, beautifully patterned, attractively homespun, cannot sustain the dramatic weight it requires. The elegant vocalise (not unlike early Laurie Anderson, without all the electronic hardware) can be enjoyed *in vacuo*, but despite Monk's own introductions to the excerpts from each act, the sense of these numbers from *Atlas* building into something much more substantial was hard to imagine.

The programme begins with a sample of a theatre piece from 1990, Facing North, Monk's celebration of the Canadian Arctic. It is a straightforward two-hander, and the four extracts given here by Monk herself and Robert Een suggested a delicate warm-hearted study, accumulating its patterns and tags from Inuit melodies and spicing them with a modicum of gesture; the folksy side of Monk is never far from the surface, yet it rarely cloys or becomes too cosy.

Queen Elizabeth Hall; part of the Contemporary Music Network, touring this week to Leicester, Manchester, Sheffield and Nottingham

Mixed styles from the BBCSO

One tune that is not often heard in the nation's concert-halls is the theme of market forces. Earlier in the year the BBC apparently decided that audiences for its concerts at the Royal Festival Hall had dropped so low that something had to be done. The answer was to tempt people in with a new pricing policy, which sells all the seats unreserved at £9 or £4.

The hall was still only about half full on Saturday, but at least the audience looked happy about getting the best seats. Given the strange clash of styles on the programme, the numbers attracted were, in fact, not bad. Last year the BBC Symphony Orchestra offered a nebulous piece by the Russian composer Korndorf and it has now *followed* that with a mirage of a symphony by a counterpart of his from Georgia, Giya Kancheli.

A haze of nothing in particular hangs in the air. Kancheli (born 1935) puts much emphasis on achieving a vaguely religious atmosphere and little on musical argument. The main aim of his Symphony No 4, "In Memoria di Michelangelo", here receiving its first UK performance, is to enter a cathedral-like structure of grand and spacious emptiness.

There are a few noisy outbursts, which come from nowhere. Towards the middle harp and celesta tinkle out what sounds like a nursery rhyme, while a pair of solo violas later burble a rustic refrain. And that was all. Writing about the symphony is like trying to describe one of those works of art, which is no more than an empty canvas with a couple of doodles in the middle and random splashes of colour around the edge.

The Viola Concerto by William Walton may not have the strongest personality of the composer's major works, but it seemed a more vivid portrait than ever before in this company. The mixture of brooding melancholy and unashamed romantic open-heartedness is very much Walton's own and the viola soloist, Tabea Zimmerman, summoned all the dark and sultry colours for which the music calls.

Then Beethoven's Seventh Symphony banished any lingering vagueness. Alexander Lazarev holds a no-nonsense view of the symphony in which each movement becomes a distinct entity, leading from a lyrical opening movement to a excitingly ferocious finale. The BBC Symphony Orchestra had been carefully rehearsed to the extent that the slower music lacked spontaneity. But at the end audience cheered: it had had its money's worth.

Richard Fairman

Glorious Ninth

Beethoven's Ninth Symphony, the "Choral", is not long enough to fill an evening, but what to play before it is always a puzzle. At the Barbican on Sunday, the conductor Libor Pešek opted for something completely different: his countryman Bohuslav Martinu's late, almost unknown Rhapsody-Concerto for viola. The soloist was one of the London Symphony's two viola-Principals, Paul Silverthorne. This was one of those occasions when an unfamiliar work bears the unarguable stamp of devoted preparation. The concerto has just two movements, each of them lyrically ruminative at unhurried tempi. The homely, wistful air of the first gives way in the second, however, to a darker elegiac tone and a sharp sense of loss. This performance conveyed all that with penetration and dignity.

Nonetheless, a really distinguished "Choral" must erase from memory anything that has gone before. While it lasted, Pešek's "Choral" achieved that superbly. Though the LSO and their Chorus were on splendid form, and young Michael Druiett's imposingly large bass led a fine solo quartet (with Nancy Gustafson, Linda Finnie and Dennis O'Neill), it was Pešek's confident, self-effacing hand that secured the triumph. This was the most satisfying, un-quirky, beautifully gauged Ninth that I've heard in several years.

Nothing was forced, least of all the orchestra's tone. The peaks of the score were reached by calmly assured ascents. All the instrumental voices were encouraged to sing, which ensured a luminous polyphony – not just in the Scherzo, where clarity is relatively easy (and Kurt-Hans Goedicke proved yet again to be a peerless master of Beethoven's timpani-part), but in the *recherché* thickets of the opening Allegro and the grand Adagio.

Keen music-lovers have long admired Pešek's smooth, soft-grained subtlety, but his liquid command of this noble score demonstrated a rare authority that one mightn't have imagined. The chock-full house was hugely appreciative; it was heartening to find that a 1990s audience can be moved by a purely musical Ninth, without theatrical Semtex.

David Murray

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INTERNATIONAL ARTS GUIDE

■ BARCELONA

OPERA

A new production of Donizetti's Anna Bolena opens at the Liceu on Mon with Edita Gruberova in the title role. Richard Bonynge conducts a staging by Giancarlo del Monaco (further performances on Nov 13, 17, 21, 25, 29). Next Tues: German Lieder recital with Hans-Peter Blochwitz, Thomas Mohr and Gabriele Rossmanith, accompanied by Cord Garben. Nov 14: Rockwell Blake sings opera arias. Nov 16: Karita Mattila song recital (412 3532)

CONCERTS

Sat and Sun at Palau de la Musica: Victoria de los Angeles and Alicia de Larrocha take part in a concert by Barcelona City Orchestra in honour of 80th birthday of Catalan composer Xavier Montsalvatge. Nov 14, 15: James Loughran conducts Vaughan Williams. Nov 21, 22: Alexander Gibson conducts Sibelius (268 1000)

- Information and booking for cultural events available through Caixa de Catalunya from 08.00 to 14.00 (310 1212)

■ COLOGNE

CONCERTS

Osaka Philharmonic Orchestra visits the Philharmonie on Sat with a programme of Takemitsu, Rakhmaninov and Brahms. Sun afternoon: Mischa Maisky plays Haydn's D major Cello Concerto with Stuttgart Chamber Orchestra. Mon: Milva. Tues: Mikis Theodorakis sings his own music. Next Wed: Svetlanov conducts Rakhmaninov and Tchaikovsky. Next Fri and Sat: Vladimir Fedosseyev conducts Cologne Radio Symphony Orchestra. Nov 15, 16, 17: Inbal conducts Ravel and Berlioz. Nov 24: James Galway. Nov 29: Abbado conducts the Berlin Philharmonic (2801)

OPERA

The main event this week at the Opernhaus is the premiere on Sun of a new production of Henze's Der Prinz von Homburg, conducted by Lothar Zagrosek and staged by Marco Arturo Marelli. The cast includes Helga Dernesch and Eirian Davies (also Nov 11, 14, 18, 24, 27). Kathleen Kuhlmann sings the title role in Carmen tonight, Sat, next Tues and Fri. Tomorrow: Margaret Price song recital. Fri: ballet by Jochen Ulrich (221 8400)

■ COPENHAGEN

Royal Theatre 20.00 Four-part Balanchine evening, new production staged by Patricia Neary (also Fri and next Wed). Tomorrow: three Balanchine ballets. Tues and next Sat: Der Rosenkavalier. Later this month performances of Nielsen's Maskarade, Carmen, Nutcracker and Peter Maxwell Davies' ballet Caroline Mathilde (3314 1002)

■ FRANKFURT

CONCERTS

Theatre Work Holland brings the South African musical Sikulu to Jahrhunderthalle Hoechst on Sat (3601 240). At the Alte Oper, Yuri Ahronovich conducts the Frankfurt Opera Orchestra in works by Danzi, Tanaka, Janacek and Rimsky-Korsakov on Sun morning and Mon evening. Sun evening: The Last Days of St Petersburg (1927), a silent film with live orchestral accompaniment. Tues and Wed: Milva. Next Thurs: BB King. Nov 14: James Galway. Nov 17: Nash Ensemble. Nov 19, 20: Pinchas Zukerman. Nov 20 in Mozart Saal: Dmitri Hvorostovsky. Nov 21: Svetlanov conducts Rakhmaninov. Nov 22: Midori (1340 400)

OPERA/DANCE

Axel Corti's Vichy-era production of La traviata is revived at the Opernhaus on Fri, (also Nov 8, 21, 29). Georges Delnon's new production of Die Fledermaus can be seen on Sat (also Nov 12, 19, 28). William Forsythe's *choreography* The Loss of Small Detail can be seen on Nov 14, 16, 20, 23 and 30 (236061)

THEATRE

Djuna Barnes' play Antophon receives its German premiere tonight at the Schauspielhaus. The repertory also includes John Hopkins' Losing Time , Schnitzler's Undiscovered Country and Shakespeare's Merchant of Venice (2123 7444)

■ GOTHENBURG

Konserthuset 19.30 Jun'ichi Hirokami conducts Gothenburg Symphony Orchestra in Rodrigo's Concierto Pastoral (guitar soloist Patrick Gallois) and symphonies by Toyama and Beethoven. Next Thurs and Fri: Moscow Chamber Orchestra (167000)

■ HAMBURG

Staatsoper Tonight and Sun: Cosi fan tutte with Hillevi Martinpelto, Jeanne Piland and Deon van der Walt. Tomorrow and next Sun: Gerd Albrecht conducts Günter Krämer's new production of Die Walküre, with Gabriela Schnaut, Hartmut Welker and Kurt Moll. Fri, Sat, Mon, next Wed: Neumeier production of Nutcracker. Next Tues and Fri: Don Pasquale. Next Thurs: Don Carlo. Bob Wilson's production of Parsifal is revived on Nov 20 and 22 (351721)

Musikhalle Roger Norrington conducts the Hamburg State Philharmonic in Beethoven's Second Symphony and Sibelius' First on Sun morning and Mon evening (351721)

Deutsches Schauspielhaus Tonight's performance is This Story of Yours (1968) by John Hopkins, best known for his creation of BBC-TV's Z-Cars. Tomorrow: Death of a Salesman. Fri: Heartbreak House. The repertory also includes plays by Maxim Gorki and Thomas Bernhard (248713)

■ LEIPZIG

Opernhaus Yehudi Menuhin conducts Die Zauberflöte tonight, Sat and next Tues. Tomorrow and Sun: choreographies by Uwe Scholz. Fri: Tosca. Nov 22: new production of Werther (7168 273)

Gewandhaus Gilbert Varga conducts the MDR Symphony Orchestra in works by Enescu, Bartók and Britten this evening at 18.00, followed by a musica nova concert directed by Hans Zender at 20.00. Sat: Kurt Masur conducts a concert of opera arias, with soloists Kathleen Cassello and Keith Olsen. Sun: Chicago Sinfonietta. Next Tues: Justus Frantz conducts Brahms' German Requiem, with Bryn Terfel baritone soloist. Next Wed: Pinchas Zukerman. Next Thurs: Lionel Hampton (7132 280)

■ NEW YORK

THEATRE

- Juno: the 1959 Marc Blitzstein/Joseph Stein musical based on Sean O'Casey's Juno and the Paycock (Vineyard, 108 East 15th St, 353 3874).
- Brother Truckers: the Ridiculous Theatrical Company presents a new comedy by Georg Osterman. Till Nov 15 (Charles Ludlam Theatre, 1 Sheridan Square, 691 2271).
- The Sisters Rosensweig: Wendy Wasserstein's new play (Mitzi E Newhouse, Lincoln Center, 239 6200).
- The Best of Forbidden Broadway: tenth anniversary edition of Gerard Alessandrini's ever-fluctuating musical revue (Theatre East, 211 East 60th St, 838 9090).
- Falsettos: two of William Finn's one-act musicals (Golden, 252 West 45th St, 239 6200)
- Five Guys Named Moe: the guys are black dancers and singers who perform the songs of the late Louis Jordan (Eugene O'Neill, 230 West 49th St, 239 6200).

■ UTRECHT

Vredenburg 20.15 Daniel Quartet with pianist Rian de Waal. Fri: Vassili Sinaisky conducts Netherlands Radio Symphony Orchestra in Brahms' First Piano Concerto (Ronald Brautigam) and Tchaikovsky's First Symphony. Sat: Jeffrey Tate conducts Rotterdam Philharmonic Orchestra in Beethoven's Fifth Piano Concerto (Bruno Leonardo Gelber) and Bruckner's Fourth Symphony. Sun afternoon, next Tues and Wed: Frans Brüggen conducts Orchestra of the 18th Century and Gulbenkian Chorus in Beethoven's Ninth Symphony. Sun evening: Ken-Ichiro Kobayashi conducts Netherlands Philharmonic Orchestra in works by Smetana, Tchaikovsky and Musorgsky. Mon: Hans Vonk conducts Utrecht Conservatory Orchestra in works by Andriessen, Saint-Saëns and Brahms. Nov 18: Krystian Zimerman piano recital. Nov 29: Svetlanov conducts Russian State Symphony Orchestra (314544)

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MONDAY TO FRIDAY

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2000-2030, 2300-2330 World Business Today – a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel
0700-0710, 1230-1240, 2230-2240 FT Business Daily
0710-0730, 1240-1300 (Mon, Thurs) FT Business Weekly – global business report with James Bellini
0710-0730, 1240-1300 (Wed) FT Media Europe
0710-0730, 1240-1300 (Fri) FT Eastern Europe Report
2240-2248 FT Report

Sky News
2030-2100, 2330-2300 FT Business Weekly

SATURDAY

CNN
0900-0930, 1900-1930 World Business This Week – a joint FT/CNN production

Super Channel
0830-0900 FT Business Weekly

Sky News
1130-1200, 1730-1800 FT Media Europe

SUNDAY

CNN
1030-1100, 1800-1830 World Business This Week

Super Channel
1900-1930 FT Business Weekly

Sky News
0130-0200, 0530-0600 FT Media Europe
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FINANCIAL TIMES
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Wednesday November 4 1992

Japan banks on recovery

JAPAN'S DEEPENING political and economic difficulties make a worrying spectacle. The Japanese government has the room to act, both to prevent a recession and to ensure that its troubled banking sector is purged and ready for recovery. But the combination of bureaucratic myopia and political grid-lock may still produce too little action, too late.

Japan faces two distinct recessionary threats. The slowdown in the corporate sector, and the associated fall in profits, investment, output and prospects for employment, make headline news. But it is the collapse of the real estate sector and the resultant troubles in the banking industry which pose the greater threat to economic growth in the medium term, both for Japan and the world.

Japanese industry is fundamentally strong, but burdened by excess capacity at a time when both international and domestic demand is weak. Inventories are too high. The investment growth of the late 1980s was probably too rapid. Many observers now expect private investment to remain depressed for a year or more. Fortunately, Japan's life-time employment system and the recently agreed Y10,700bn fiscal package of public investments should together ensure that Japan avoids an outright recession.

Yet it is the threat of an anaemic recovery, not recession, that should disturb the sleep of Ministry of Finance officials. Japanese monetary growth may currently be sluggish because the demand for new loans is depressed. But the pace of recovery, both in Japan and elsewhere, may subsequently be constrained by the ability and willingness of Japan's banks to lend for new ventures.

Bad debts

The omens are poor. Bad debts in the US banking industry have hindered the pace of the US recovery, despite the willingness of the US Federal Reserve to ease monetary policy aggressively in order to steepen the yield curve and boost bank profitability.

The scale of the likely bad debts held by Japan's less profitable banking sector is only slowly becoming apparent. The Ministry of Finance reported last week that the non-performing loans of the leading 21 Japanese banks rose by 54 per cent, to Y12,300bn, in the six months to the end of the September, about a third of the total capital of these banks. Other estimates, based on a less conservative definition of bad loans and including regional banks, suggest a figure for bad debts that is four times as great. In fact, the low level of transactions in the land market and the artificially inflated level of recorded land prices make it impossible to know quite how large the damage to bank balance sheets will turn out to be.

Public support

Yet neither the Bank of Japan or the Ministry of Finance is willing, at least publicly, to recognise the threat to recovery that these bad debts present. The Bank of Japan has left the discount rate unchanged since July, while the gap between short and long-term interest rates is half that in the US. The Ministry of Finance appeared willing, in August, to consider direct public support for the banks as did Prime Minister Miyazawa. But these signals have since been denied in the face of widespread opposition to the use of public funds to help the banks.

Yet the alternative – a poorly capitalised agency, owned and run by the private banks, that will purchase their bad loans – is a recipe for delay and concealment. Writing off the banks' losses at realistic land prices would destroy much of their capital, and perhaps some banks entirely. In practice, the agency is likely to buy real estate at inflated prices, minimising the apparent loss to the banks, but at the price of postponing the inevitable losses and leaving a still distorted land market.

Herein lies the case for public funds. The banks should be forced to accept losses that are as large as they can bear, while land prices must fall by much more than the 10 per cent canvassed by the banks. But this risks destabilising the financial system unless the agency is sufficiently well capitalised and firmly run. Only the Bank of Japan can perform that role. When past errors have been cleared away, along with the managers who made them, the banks will be able to re-capitalise and finance recovery.

Rethinking City regulation

A NEW consensus is emerging in the City: that the current system of UK financial services regulation is so deeply flawed that sweeping changes are needed.

The latest advocate of this view is Mr Mick Newmarch, chief executive of Prudential. "The Financial Services Act is an unsatisfactory basis for the protection of savers," he said yesterday, calling for "investor protection on a fully statutory basis under direct government control".

He is not alone in urging the abandonment of the system of "practitioner based" regulation introduced by the act. In private, other City grandees join the chorus. And even Mr Andrew Large, charged with operating the system as chairman of the Securities and Investments Board (SIB), clearly has his doubts. He envisages "a clear shift to a less self-regulatory basis" as a result of his current review of the way SIB works.

The current system, say its critics, doesn't catch crooks; it allowed the Maxwell pensioners to be defrauded; it imposes an irritating and costly burden on inter-professional business; it consists of too many second-rate regulators, imposing too many rules; it has failed to resolve some very difficult problems of consumer protection; and – says Mr Newmarch – it has become too prescriptive, imposing the regulators' view of best practice rather than the legally enshrined criterion of adequacy.

Clumsily divided

Most of these statements command general assent. The enforcement of the present system – clumsily divided between too many regulators and criminal prosecutors – is clearly unsatisfactory. The Maxwell affair scarcely came within the regulatory structure – in itself a criticism of the law – but where it did, the safeguards failed to work. There is too weak a distinction between the regulation appropriate to inter-professional business and that necessary for the protection of savers. There are too many regulators, with overlapping jurisdictions and conflicting styles – and, probably, too few really first-rate people.

These issues are largely resolvable within the current legal framework, though additional legislation would be necessary to protect pensions and to give SIB the power to exact civil penalties as an alternative to unwieldy criminal prosecutions.

The remaining criticisms are more intractable. Consumer protection of individual savers is the most difficult issue tackled by the Financial Services Act. The imbalance of knowledge between salesman and client – and, arguably, between industry and regulator – creates very difficult problems of investor protection. In other countries, this has been resolved by tight control of the products that can be offered, at the price of stultifying innovation and entrenching market share.

Free hand

The UK, by contrast, has traditionally allowed insurance companies and other financial institutions a free hand in product innovation. Since what is sold is uncontrolled, the debate has shifted to *how* it is sold. Here, the regulators have arguably failed most dismally: an industry increasingly desperate to find outlets for its products is permitted to feed customers inadequate information and competes through higher commissions for intermediaries rather than better value for investors.

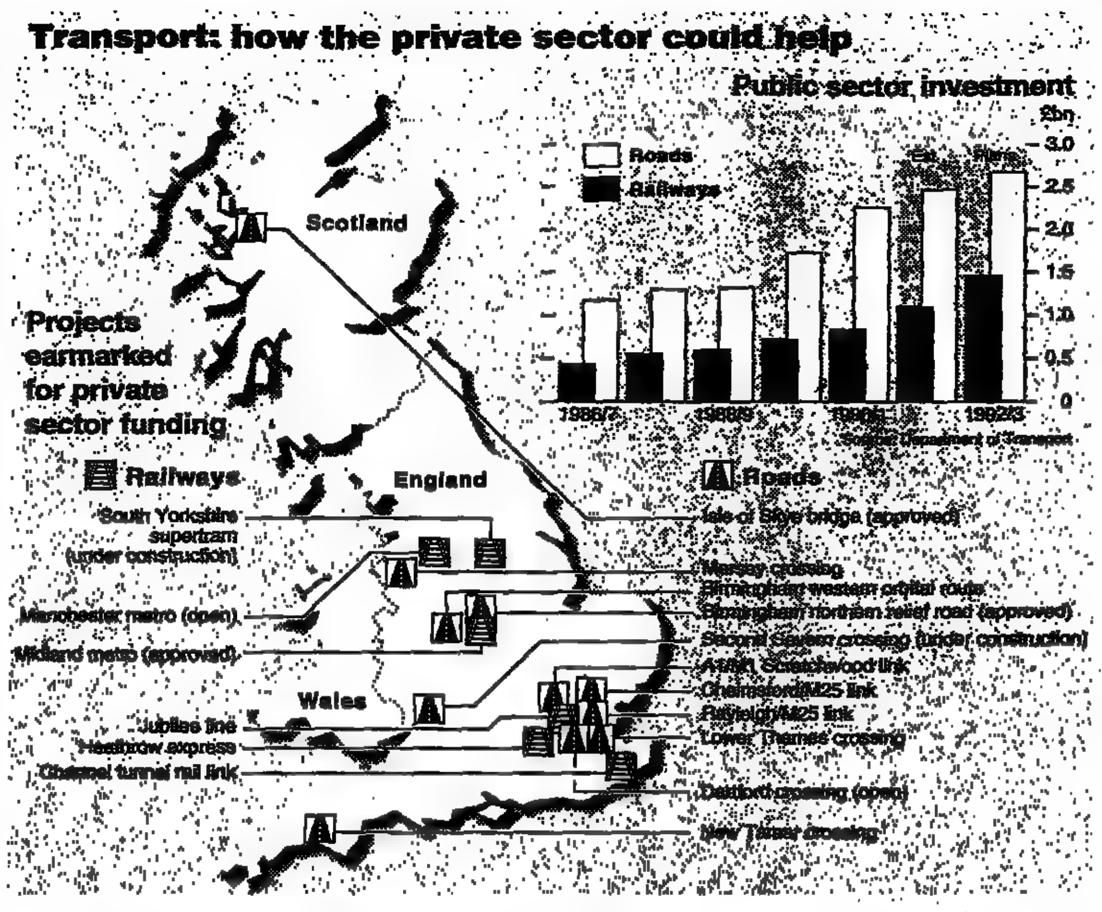
This is rather different from the problem identified by Mr Newmarch: that regulators are "predisposed to believe that the answer to every problem lies in the extension of their own powers". Rather, the flaw lies in the unwillingness of the regulators and – as Mr Newmarch acknowledges – the industry seriously to address the complaints of consumers.

By urging the industry to face up to these complaints, Mr Newmarch has done it a service. He deserves credit, also, for saying in public what others have only been willing to murmur in private.

The way that financial services regulation is conducted does require scrutiny and debate – and preferably the independent inquiry which Mr Newmarch recommends. It is too soon to judge whether that debate should lead to a change in the legal framework that surrounds financial services. What is certainly needed, though, is a change in the attitude of the retail financial services industry and those who supervise it.

Budget constraints are forcing the UK government to seek new ways of financing transport, writes **Richard Tomkins**

Private way for public roads


Transport: how the private sector could help

Britain badly needs more roads and railways. People are tired of traffic jams and slow, overcrowded trains; recession has left the construction industry desperate for work; and after a sudden policy turnabout at the end of last month, the government has become a convert to the need for big capital projects to stimulate economic growth.

But who is going to pick up the bill? At a time when ministers are agonising over ways of meeting next year's £244.5bn planning total, there is little enough money in the public purse to maintain existing spending programmes, still less increase them.

The government, however, believes it has a solution. Mr Norman Lamont, the chancellor, has promised that next week's Autumn Statement will come up with ways of involving the private sector in the funding of capital projects.

The idea is not a new one. In 1981, during Britain's last deep recession, there were similar pressures for capital investment to get the economy moving, and similar calls for private sector involvement to help it along. The Treasury responded by drawing up the so-called Ryrie rules to define the conditions in which private sector funding could be allowed.

As befitted a government for which the control of public spending had become an icon, the rules were a model of fiscal rectitude. One rule, known as the non-additionality principle, decreed that private money invested in public sector projects could only be used in place of public spending, not in addition to it. Another, known as the value-for-money principle, decreed that private funding would only be allowed if it delivered a project more cheaply than public sector funding – a most unlikely eventuality since the government can borrow from the financial markets at much lower rates of interest than the private sector.

Not surprisingly, the effect of the rules was to stifle private sector participation rather than to encourage it. But in a sense, it did not matter much. By that time, the government's privatisation programme had started to solve the problem in a different way – by transferring state-owned utilities and their accompanying capital requirements to the private sector.

Transport was a prime target for privatisation. The national airline, airports, ferries, ports, road freight, buses and coaches were all sold. But roads and railways remained stubbornly in the public sector, and by the late 1980s were coming under unprecedented strains as a result of strong economic growth.

The result was a renewal of calls for private sector involvement in funding transport infrastructure. In May 1989 Mr John Major, then chief secretary to the Treasury, announced that the Ryrie rules would be scrapped. Days later, the Department of Transport published a document called New Roads By New Means, heralding the dawn of an era in which the private sector would be allowed to build toll roads.

Three years on, these moves have almost wholly failed to achieve their objectives. True, the privately-funded Dartford Crossing now carries London's M25 orbital motorway across the Thames, but that was an exceptional project approved before the abolition of the Ryrie rules. Since 1989, the construction of the privately-funded Second Severn Crossing has begun, but the only road or motorway project to have been given the go-ahead is the Birmingham Northern Relief Road – and that is not expected to open until the end of the decade.

One reason why the private sector has proved so reluctant to finance as well as build the nation's transport infrastructure is that the abolition of the Ryrie rules was largely a sham; the Treasury simply re-created the rules in its so-called Green Book in April 1991. Its only significant concession was a softening of the non-additionality principle, allowing for consideration to be given to the use of private funding to supplement public spending.

In reality, however, there is a much more obvious explanation for the private sector's lack of interest in road and railway investment than Treasury rules. It is the fact that companies cannot see an opportunity for making money out of it.

The risks and costs, for example, can be immense. Lead times for transport infrastructure projects typically span a decade or more because of the interminable, and usually controversial, planning processes. Companies are reluctant to risk millions of pounds working up projects only to see them collapse or rendered unviable during the planning phase. And when projects do go ahead, companies may face colossal bills for land acquisition and environmental protection.

The risks would matter less if companies could be sure of earning appropriate returns. But in Britain, where existing roads and motorways are free at the point of use, it is difficult for companies to charge tolls high enough to cover their costs without losing their customers to free alternative routes.

Put simply, toll roads only work where users have no cheap or easy option. In other countries which operate them, such as France, they tend to work either because alternative routes are also tolled, or because free alternatives are unsuitable for drivers travelling long distances.

In Britain, it has so far only been possible to introduce tolls on river crossings, where the alternative is another tolled crossing or a long detour. If the Birmingham Northern Relief Road works, it will only be because the motorway route for which it provides an alternative is full.

It follows that another attempt to encourage the private sector to build toll roads through a softening of Treasury rules will be futile unless it is accompanied by measures to make such projects viable.

The single most obvious solution would be to sweep away road tax and fuel excise duties and replace them with a system of electronic road pricing – in other words, charging people for use of public roads on a pay-as-you-go basis. This would not only put private roads on a more competitive footing with public ones, but would have the beneficial side effect of increasing the viability of rail.

Transport and environment ministers are increasingly suggesting that road pricing is inevitable, if only as a means of tackling traffic congestion and pollution. Even so, they have made it clear that they are not quite ready for it yet.

In the interim, therefore, the next best solution might be to introduce charges only for those public roads or motorways competing directly with privately-operated routes. One way of doing this would be to award concessions for route "corridors" rather than specific roads, and allow companies to toll existing roads lying in the corridor to help pay for new ones.

For example, if the government wanted the private sector to build new motorway capacity between Birmingham and Manchester, it could grant a company the Birmingham-Manchester concession and allow it to impose tolls on the existing M6 motorway to help meet its costs during the planning and construction of a new road. Similarly, a company could be granted a concession for the heavily-congested M25 London orbital motorway, imposing tolls on the existing road to pay for a widening programme.

Precedents for this kind of arrangement already exist. The consortium that built the Dartford Crossing, led by Trafalgar House, the construction group, was given a concession to take over the existing Dartford Tunnel. Income from the tunnel and bridge tolls is being used to service the loans, and once these are paid off, the tunnel and bridge will revert to the government. In this case, the consortium's profit comes not from the toll revenue, but from the construction contract and the fees for arranging the loans.

A similar agreement has been drawn up for the Second Severn Crossing, so it is clearly deemed as workable. But it has its drawbacks. One is that it confers undesirable monopoly powers on the concessionaire, implying a need for close government control over charges. Worse, where roads are involved, it means the imposition of tolls where none previously existed, so risking a public outcry and the possible diversion of traffic onto unsuitable secondary roads.

In the face of these obstacles, perhaps the most attractive proposal comes from Sir David Hancock, a former Treasury official who is now a director of Hambros Bank. He suggests that, if a toll road proposal arouses no private sector interest because companies believe it would fail to deliver an adequate return, the government should make it more attractive by offering a grant towards the project's costs. Companies would then bid to see which required the smallest subsidy to proceed.

One attraction of the idea is that the Treasury has already accepted the principle in other areas of transport. In some ways it resembles the scheme under which the government is prepared to consider grants towards the construction of jointly-funded light rail systems, such as the Manchester Metro, to reflect the benefits they can bring to local communities. A still closer parallel lies in the government's plans for railway privatisation, where the operation of loss-making passenger services will be franchised out to the private sector on the basis of which company requires the smallest subsidy to run them.

The implications of adopting such a scheme for capital works could spread beyond roads. For example, the government continues to insist that it wants the private sector to provide the planned Channel Tunnel Rail Link between London and the Channel tunnel. In reality, there is no possibility that the link will deliver a return big enough to persuade the private sector to fund it on its own. But an auction to determine which company or consortium required the smallest government grant to undertake the project could get the line built at least cost to the exchequer.

The idea is not a panacea. The Treasury, always highly suspicious of schemes which mix public and private sector finance, will see it as a way of using taxpayers' money to subsidise private profit. Mr John Fletcher, a director of Trafalgar House, says no scheme is likely to take off unless the government draws up a programme of works large enough for the private sector to consider it worthwhile getting involved. And even if the government does succeed in getting private funding off the ground, years will pass before any projects reach the construction stage – by which time, Britain can only hope, the country will long since have emerged from recession.

PERSONAL VIEW

Shut the stable door

By Richard Layard and Charles Bean

How to recover without inflating: that is the question. In every recession we conquer inflation and people say: "We have dealt with that problem, so give us a recovery." And every recovery then brings back inflation.

The problem will be particularly acute this time, owing to the devaluation of sterling. Experience shows that the competitive gain from devaluation will soon be wiped out by higher wage inflation – unless this time we address the wages problem before it arises.

The instinct of almost every businessman is against this, and the reaction is understandable. Most businesses feel that wages are now the least of their problems. Business has re-established productivity growth, and for the moment companies are less worried than usual about their unit labour costs.

What worries them is the lack of demand and the high cost of servicing their debts. So they are calling for a recovery package based on infrastructure investment and lower interest rates. Many of them cannot understand why the government hesitates to give them this.

But the government takes a longer view. It knows that the basic problem of the British economy is the wages problem. At present wage inflation is still falling as a result of increasing unemployment. But, once unemployment stabilises and then begins to fall, wage inflation will start creeping up again, exactly as it did in the late 1980s.

Almost all our present ills stem from the steady rise of wage inflation at that time. The main reason for the present recession has been the need to reduce wage settlements. We needed to reduce average earnings growth from about 9 to 5 per cent a year. After three terrible years we have nearly got there but in the end the disinflation was just too late – leading to the national humiliation of a devaluation.

We must not repeat this stop-go cycle in the years ahead. If we do nothing about our pay arrangements, it will be very difficult to expand employment at all without raising inflation above 4 per cent. The business community must exercise some foresight in its own collective interest.

If business does not believe there is an inflation problem, the financial markets do. If interest rates are to be cut as much as we need, the pound will fall and inflation will rise – unless the markets believe pay is under control. The markets know that pay is the prime cost in the economy (though for individual businesses it is often minor, due to multi-stage production).

As soon as the labour market improves, each individual employer has an incentive to raise the relative pay of his workers. But the result is a process of pay leap-frogging. From this process all lose, since it is inevitably followed by another period of "stop". How can we avoid this?

We have to institutionalise the common interest which all employers have in a low average level of wage settlements, while preserving the needed flexibility in relativities. In Germany and Japan this common interest has led to a degree of concerted action among employers, which helps to explain their good performance.

Our system of pay determination has worked less well and we ought to consider some change. In the present economic crisis, I would like to suggest a quite small change, from which I believe we could derive great benefits.

I assume that we shall have some kind of public sector pay limit. Business has rightly asked for something of that kind. But it is not a reasonable request unless we can expect that private sector pay (taken as a whole) will move roughly in line. Companies which are abnormally short of labour should, of course, be raising the relative pay of their workers. But, unless the private sector as a whole is more short of labour than the public sector, there is no reason why the relative pay of the private sector should rise.

So if the public sector pay limit is x per cent, no private sector company should be conceding more than x per cent unless it is abnormally short of labour (or needs to reward an exceptional increase in the efforts of its workers).

The government should therefore announce a recovery package as the CBI asks – on one condition. The CBI should establish a committee which would comment publicly on any private sector pay settlement above x per cent. The committee would be expected to criticise all settlements which could not be justified on the above criteria.

Even this arrangement would favour the private sector, for average earnings in industry usually rise by about 2 points more than wage settlements, which does not happen in the public sector.

Some will say the monitoring procedure is unnecessary. If so, it can do no harm. And, if it is necessary, it will do good. Either way, nobody can reasonably criticise it.

Too often we have claimed to have licked inflation. If we have any foresight, we should bolt the stable door now, rather than having again to grab inflation by the tail, once it has bolted.

The authors are professors at the London School of Economics

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Edward Mortimer

Dear Mr President . . .

An open letter from a citizen of the world to the winner of yesterday's US election

FOREIGN AFFAIRS

Sir, You presumably know who you are, and by the time you receive this letter the world will at least know your name. But as I write, millions of Americans are still putting their cross against that name – although millions of others are not. On past form, those who stay away from the polling booths altogether will outnumber your supporters.

I have a suggestion for next time. Let the votes of those Americans who do not care enough to use them be given to foreigners, like me, who would dearly love to. All over the world there are people who believe their lives will be affected by decisions that you take in the course of the next four years. No doubt many of those people exaggerate US influence, but they are not wholly wrong. True, the US no longer dominates the world economy in the overwhelming way it did for a decade or so after 1945. But it is the uncontested world champion in military power, more than ever now that the Soviet Union has scratched from the competition.

Whether the US has really begun a long-term process of overall decline is debatable. The answer may depend partly on you. But for the present in any case, and for the foreseeable future, the US enjoys a combination of economic and military strength which no other country even begins to rival. Moreover it is still the main inspiration of popular culture throughout the world, and the country where most non-Americans would like to live if they left their own.

All that has given you, the American ruling elite, an instinctive self-confidence about projecting your power overseas, *politically* as well as militarily; and it has given us, the rest of the world, an instinctive deference towards your leadership even when we resent your power or disagree profoundly with your judgment. We may argue bitterly against your policies, but we still tend to find ourselves arguing for a different *American* policy. The idea that we could just ignore you and do our own thing hardly even *occurs to us.*

What do I, as a citizen of the world, hope for from you as leader of the only superpower?

First of all, I hope that America, if it is declining, is not going to decline too fast; and that obsession with that possibility will not make it turn its back on the rest of us or – even worse – blame us and lash out against us when it finds its own problems too intractable. The danger of that is clearly greatest in the field of economics and world trade. We all know the reflex: if you are losing market share, it must be because your competitors are playing dirty. So instead of trying to improve your own performance, you concentrate on devising rules to hobble the competition.


US missiles in Kuwait: continuing need for world policeman

Recent US governments have been quite good, by international standards, at resisting that reflex. But the pressures are strong. To a European, Americans often seem obsessed with the "Japanese threat". Obviously there are great dangers for the world if the US gets into a trade war with Japan, but also if it tries to solve the problem by bilateral deals, regulating both markets at the expense of third parties.

Preventing the spread of conventional and nuclear weapons should be at the top of your priorities

I hope you will tackle that notorious budget deficit, as you have promised to do. That means you will have to have the courage to tell the American people that whatever you rashly said during the campaign about not increasing taxes on this or that category of the population cannot be interpreted as ruling out effective action to deal with this great national incubus.

Start with a gasoline tax of at least a dollar a gallon. To us foreigners, the gas-guzzling habits of Americans appear scandalous on both economic and environmental grounds. Tell your countrymen they have to limit their energy consumption both to avoid an embarrassing dependence on Arab sheikhs and to improve their grandchildren's chances of inheriting a habitable *planet. Do not be swayed by* sob stories from those (midwestern farmers, for example) who say their way of life depends on cheap gasoline; but if any do convince you, give them the money in cash. Do not repeat the mistake the EC is trying so painfully to undo in its agricultural policy, of allowing an entire market to be distorted by the special needs of one social category.

And don't be afraid to cash the "peace dividend". America will have no difficulty in remaining the world's leading military power with a much smaller financial outlay than was required to compete with the Soviet Union in a nuclear arms race while maintaining over 300,000 troops on a war footing in Germany.

Of course there will be plenty of special pleaders urging you to keep bases open or not to cancel weapons systems. But if you really want to spend taxpayers' money on keeping people in work, there are many more efficient ways to do it than by paying them to produce machines which are at best useless, at worse appallingly destructive. Nor should anyone deceive you into thinking you are making the world safer by manufacturing weapons for export. Preventing the spread of weapons, both conventional and those "of mass destruction", should be at the top of your priorities.

In the post-cold war era your contribution to world security cannot be measured by the number of soldiers you keep posted abroad. It will be measured, in part, by the tasks you let them undertake. There is no longer a hostile power block, and therefore no front line to man against it. One interest the US shares with the rest of us is to prevent that situation ever rising again. So please make every effort to help those who are trying to turn Russia into a civilised power, integrated into the world economy; and encourage China to continue opening up; don't drive it back into autarky and xenophobia.

Even simple objectives such as the defence of one state's sovereignty against another's aggression (as in Kuwait) may *in future* be the exception rather than the rule. Security has become a matter of defending people against each other – in places where sovereignty and borders are contested as much by the locals as by outsiders, such as the former Yugoslavia; or where the state has virtually disappeared, as in several African countries. Where possible, things should be prevented from getting that far, through timely diplomacy. *Sometimes a show of force at an early stage may avert the need to use force at a later one.*

Of course the US does not want to be a lonely world policeman. These are tasks for multilateral structures, and above all for the United Nations – an engine largely of American invention, whose usefulness the US has lately rediscovered. But recent experience has shown that multilateral structures can work with US leadership (the Gulf), not without it (Yugoslavia). Americans must be prepared to do their bit, and pay their whack. Compared with the cost of the cold war, multilateral police operations will be cheap. Some of that peace dividend should be spent on them.

Oh, and one last thing. You have an excellent ambassador in London. Since he is a career diplomat – the first ever appointed to that office – there is no need to replace him, whichever side has won the election. Let him stay.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

R&D tax breaks are needed up front

From Mr Ben Coleman.

Sir, When it comes to government incentives for firms to invest in research and development, tax incentives may well be preferred by certain companies, such as the 86 per cent of respondents to a recent KPMG Peat Marwick survey ("Tax boost switch urged to boost R&D", October 12).

Yet the full report which I have just received, ignores the important distinction between large and small firms. While larger companies may be able to lay out funds now in the expectation of a tax break later, smaller ones (which provide the bulk of new innovations) need the 50 per cent cash up front that most R&D schemes provide.

It would be unfortunate if the government, as it seeks to reduce overt public spending, acted on the survey's apparently well-grounded findings to cut the already modest budgets of British schemes such as Link and Spur. Small firms are finding life tough enough as it is.

Ben Coleman,
108 St George's Square,
London SW1 3QV

Broad customs union should be on Edinburgh agenda

From Mrs Shirley Williams.

Sir, I hope you will continue to use your considerable influence to campaign for a Europe-wide customs union that would embrace the eastern European countries (leading article, "Eastern vision", October 29). Such a customs union might also reach a trade agreement with the former Soviet republics, based on a payments union. Central and eastern Europe lost large parts of its trade following the collapse of Comecon – part, but not all, of which has been compensated for by increased trade with the European Community. From the safe ground of a Europe-wide customs union, natural trade patterns with the Commonwealth of Independent States could be re-established.

The "Europe Agreements" between the EC and Poland, Hungary and the Czech and Slovak Federal Republic have been disappointing, since almost all the commodities in which these countries have a comparative advantage (steel, textiles, certain agricultural products) are restricted by quotas. The agreements are also, as you say in your leader, bilateral.

The central and eastern Europeans are coping bravely with a steep fall in per capita gross domestic product, rising unemployment and spreading poverty. Their political and economic stability is vital to us. (The former Yugoslavia provides a grim lesson in the costs of disintegration.)

The need for a customs union to replace the agreements is therefore urgent. The EC, and its British presidency, should put this issue on the agenda of the Edinburgh summit now.

Shirley Williams,
John F Kennedy School
of Government,
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Ma 02138, US

First step towards European integration recalled

From Mr Aubrey Jones.

In your article, "Nowhere else to go" (October 30), you relate how the prime minister said that the UK's first mistake in European policy was "when we failed to join the Community at the outset", and ascribe that failure to Anthony Eden.

I would put the failure back in time, to around 1950. The late Jean Monnet once described to me a meeting with Sir Stafford Cripps, then Britain's chancellor of the exchequer, and Edwin (now Lord) Plowden, then a Treasury adviser.

In that meeting Monnet proposed that the UK should join the then projected Coal and Steel Community, making it clear that he was interested in more than just coal and steel, and that coal and steel were but a first step towards European integration. He was turned down.

I referred to this meeting in a speech in the House of Commons on May 17 1961 (Hansard, vol 640, columns 1,429-1,437). Douglas Jay intervened to rebut my wider interpretation of Monnet's proposal. However, my memory of Monnet's conversation with me is quite clear and the wider interpretation is confirmed in Monnet's memoirs and in an anthology of speeches entitled Les Etats Unis d'Europe Ont Commencé.

Aubrey Jones,
"Arnen",
120 Limmer Lane,
Felpham,
Bognor Regis,
West Sussex PO22 7LP

Lesson to draw is that record of all economic forecasters is poor

From Mr Patrick Foley.

Sir, Your analysis of economic forecasters' accuracy during the recession makes interesting reading ("Britain's top 10 forecasters", October 30), but the main lesson to be drawn from such analysis is surely the poor forecasting record *of all* those included (including ourselves).

Those who feature at the top of the table should not be too hasty in congratulating themselves. There is much less difference between the best and worst forecasts in your table than there is between the best and the actual outcome. On your figures, the best forecaster (Smith New Court) predicted a total 0.3 per cent *rise* in GDP in the two recession years, 1991 and 1992. The final outcome looks likely to be a *fall* of 3.3 per cent.

We have looked recently at the causes of this poor record, to see whether it can offer any clues as to how forecasts might be improved in the future (see Lloyds Bank Economic Bulletin July 1992). What appears to have made this recession deeper than forecast was the *reaction of businesses to the* initial signs of slowdown: 1990 and 1991 saw very sharp cutbacks in investment, output, employment and stocks by industry, concentrated first in services but then spreading to other sectors. This is the natural reaction of businesses to a deterioration in their external environment, especially when they are relatively highly geared – and thus highly risk averse – as many were in the late 1980s. However, it is not one that most economic models are designed to predict.

The failure of the economy to begin to recover in 1992 (whereas all forecasters in your table predicted an upturn) can be attributed to the continued financial fragility of the personal sector (see *Lloyds Bank Economic* Bulletin, September 1992). This is another failing for models which do not appear to take sufficiently sophisticated account of the effect of personal finances. Peter Warburton was thus right to stop using computer models when he did. If only the rest of us had done the same! This analysis suggests, by the way, that to the extent that forecasters of a monetarist persuasion were more accurate, they appear to have been right for the wrong reasons.

Finally, one complaint about your assessment method. In times of rapidly changing views about economic prospects, it is much easier for an organisation which revises its forecasts monthly to score well *than one which publishes its* views only once or twice a year. This suggests to me that the Treasury forecast compares favourably with even the best in your table.

Patrick Foley,
chief economic adviser,
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OBSERVER

Peripatetic pen-pushers

■ If you are wondering about the City analyst who has been turning in those hefty profit warnings on your company, Citigate may be able to help.

The PR pundits who last week, with Price Waterhouse, published the third annual Who's Who of Analysts, have just finished reading the tea-leaves on the information gathered during the course of the directory's compilation. The stereotype teenage scribblers emerge roughly as follows.

They are male (86 per cent), probably married (64 per cent), and Oxbridge-educated (24 per cent). A staggeringly well-prepared 16 per cent have read economics, with the next most popular degree (5 per cent) business studies. Recruiters obviously pay attention to star signs, because a pushy and determined 11 per cent are Aries, whereas only a complex, introverted 6 per cent are Scorpios. They are in their mid-30s, and are most interested (what an uninspired lot) in travel, music and golf.

Their pressured existence notwithstanding, Messrs Average Analyst are big achievers in the marital stability stakes – with a nationally highly atypical 0.84 per cent divorced. The same cannot be said, however, of their record on the employment continuity front.

Of course, we did know that analysts were an itinerant bunch – shoved from pillar to post by their employers these days as much as being desperately in search of the bigger bonus. But Citigate can now reveal that, among those analysts at firms which appear in both the 1989 and the 1992 surveys, *only a paltry 31.5 per* cent have not changed sides in the intervening three years. "Think of the savings for the pension funds," mused one scribbler, the fruits of whose research has landed on his clients' desks from a number of different addresses.

Much ado

■ The art of the metaphor is flourishing in South Africa – a country not known for flights of linguistic fancy.

Thus a few months ago an ANC-aligned group of economists and academics produced a set of economic analogies which took inspiration from the zoo. South Africa, it said, faced four scenario options: ostrich, lame duck, Icarus, and flamingo. These amount to: still keeping heads in the sand; failing to fly because of structural defects; soaring towards prosperity, but collapsing in a heap of populist inflation; and flying off serenely into a glowing sunset.

Now, Nico Cyzpionka, group economist with the Standard Bank group, has sought refuge in the sea, with apologies to Shakespeare.

He says South Africa has three options: A Midsummer Night's Dream, with "fair weather, favourable tides and a sound ship"; All's Well that Ends Well, where "those at the helm sail the ship into calmer waters"; and "The Tempest" where the wrong course sinks the *ship.*

If the cap fits

■ As a feisty critic of the shortcomings of the North American Free Trade Agreement, which he claims would create a "huge sucking sound" of American manufacturing jobs heading south to Mexico, it is a pity that the diminutive Texan multi-millionaire Ross Perot should be let down by the less than deeply patriotic red-white-and-blue baseball cap that was last week being distributed by his campaign team in Florida. "Perot for President" it reads on the outside; "Produced For You In China" on the label inside.

"I'm a Tory rebel with a small T"

Generosity

■ With gold prices languishing, analyst Graham Birch has long been recommending producers to cash in on the huge mark-ups available in the jewellery market. The message seems to be getting through: Western Mining Corporation, one of Australia's big gold producers, is now offering shareholders and employees "the rare opportunity to purchase quality, 18 carat gold jewellery".

Birch points out that the WMC scheme shows what "added value" in the gold market is all about. The corporation is offering, among other items, a bangle containing not quite one ounce of gold. At today's prices the intrinsic value of this bauble is about £175. The price WMC is charging is £762.

But, as Birch says, "WMC is generously throwing in postage and packing for nothing".

Clear as Bell

■ Mystery – what mystery? Amateur sleuths' continuing search for the real-life original of Sherlock Holmes is exasperating Observer, especially the latest claim by devotees that the model was American burglar-alarm inventor Edwin Holmes who had a partner called Thomas Watson.

The matter was cleared up some 70 years back by the detective's creator Sir Arthur Conan Doyle who said the original was one of his tutors, Scots surgeon Joseph Bell.

Here is Doyle's own description, quoted in The Story of 25 Years published by the News Chronicle company in 1935:

"He was a very skilful surgeon, but his strong point was diagnosis, not only of disease, but of occupation and character.... In one of his best cases, he said to a civilian patient:

Well, my man, you've served in the army? – Aye, sir.

Not long discharged? – No, sir.

A Highland regiment? – Aye, sir.

Non-commissioned officer? – Aye, sir.

Stationed at Barbados? – Aye, sir.

"'You see, gentlemen,' he would explain, 'the man is a respectful man, but did not remove his hat. They do not in the army, but he would have learned civilian ways had he long been discharged. He has an air of authority and he is obviously Scottish. As to Barbados, his complaint is elephantiasis, which is West Indian and not British.'"


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Swedes oppose joining EC, says poll

By Christopher Brown-Humes in Stockholm

A MAJORITY of Swedes now oppose European Community membership, according to a new poll.

It found that 53 per cent would vote No if a referendum on the issue were held now, the first time that opposition has broken through the 50 per cent level. Only 30 per cent are in favour of membership.

Opposition is particularly strong among women, the under-30s and blue-collar workers. The anti-EC mood has intensified during the year, with March the last time more Swedes favoured membership than opposed it. A month ago, 45 per cent were against the EC, and 35 per cent in favour.

The poll's findings will alarm not only Sweden's centre-right coalition government, but also the opposition Social Democrats. Both back the country's attempt to join the EC in 1995. A binding referendum on the issue is due to take place in 1994.

Meanwhile, US credit rating agency Standard & Poor's has given a significant endorsement to recent Swedish policy initiatives by maintaining its 'AAA' rating for the country.

It highlighted the country's determined defence of the krona, tough measures to reduce the budget deficit and promised support for the financial system. "Continued wage moderation and the government's stated plans to reinforce fiscal adjustment are the key near-term factors supporting Sweden's 'AAA' rating," the agency said.

Low point: As the mood of German business and industry is at its gloomiest for 10 years, finance minister Theo Waigel (left) and chancellor Helmut Kohl discuss the budget deficit at a parliamentary meeting

Recession fear damps German business mood

By Quentin Peel in Bonn

THE MOOD in German business and industry is gloomier than at any time for 10 years, and talk is openly of recession, according to the annual survey of business opinion by the German chambers of commerce and industry, the DIHT.

The poll covering more than 25,000 enterprises in both the east and west of the country shows that the number believing the state of the economy is good has halved in the past year, from 44 per cent to 22 per cent.

The number judging it bad has grown from 11 per cent to 25 per cent.

The same gloomy picture emerges from employment forecasts – with 32 per cent expecting to cut their payrolls, against 9 per cent promising expansion.

Mr Franz Schoser, chief executive of the DIHT, said yesterday: "For German business, 1993 will be a tough year. Since the unification boom is over, a recession can no longer be ruled out. For the coming months, we see no chance of a fundamental change in economic growth prospects."

German industry was equally pessimistic about export prospects because of the stagnating international economy and the appreciation of the D-Mark within the European exchange rate mechanism, he said.

The one ray of light shown by the survey is that investment plans in eastern Germany are expected to continue to increase – in spite of the latest decisions by Mercedes-Benz and Krupp to shelve big plans for expansion there.

Just 19 per cent of west German enterprises expect the economic situation next year to improve, whereas 31 per cent expect it to get worse.

Mr Schoser suggested that the recent report of the five German economic research institutes might be over-optimistic in expecting the beginning of a recovery after the second quarter of 1993.

In east Germany, the mood of enterprises has become more cautious in the last six months, although it is more hopeful than last year.

The survey expects the pace of job losses to slow down, although the process of large-scale structural change has by no means ended. The survey identifies the main factors cited by investors as a brake on investment in eastern Germany.

Western industrial investors put legal uncertainty top (38 per cent), followed by the lack of administrative capacity, lack of infrastructure, and the burden of environmental damage.

East German investors cited lack of access to finance as by far the greatest problem (70 per cent of industrial enterprises, although only 35 per cent of commercial concerns).

Within west Germany, the only region with an overall positive expectation in the coming year was Hamburg.

● FAG, the large German ball-bearing producer, yesterday announced the closure of its subsidiary in east Berlin with the loss of 470 jobs. The east Berlin company had losses this year of DM22m ($14m) on sales of DM18m.

IBM Deutscheland said it would cease hardware production at its west Berlin plant which would be converted to software output and service. About 150 jobs will be lost.

Canadian banks cut interest rate as economy strengthens

By Bernard Simon in Toronto

A SPATE of encouraging economic statistics has lifted hopes that Canada's recovery is at last on firm ground.

Despite earlier warnings that a No vote in last week's constitutional referendum would be a serious blow to investor confidence, many economists are optimistic that uncertainty during the referendum campaign has only slightly delayed the upswing.

Canadian banks yesterday implemented the second cut in their prime lending rate since the referendum, bringing the rate down by a quarter percentage point to 7.5 per cent. The prime rate jumped by 2 percentage points in the run-up to last week's vote.

Mr Ernie Stokes, chief economist at the Wefa consultancy group in Toronto, predicted that the sharp rise in interest rates before the referendum would delay the recovery by no more than about three months. Wefa forecasts the prime rate will drop as low as 6.25 per cent next year.

Evidence of strengthening business conditions includes a 0.4 per cent increase in Statistics Canada's composite leading indicator in August, the biggest rise since last November.

The government also reported real growth of 0.5 per cent in gross domestic product in August, pointing to an annualised expansion of about 2 per cent in the third quarter. With the exception of some forestry and energy companies, corporate profits showed a marked improvement between July and September.

Economists expect a growth rate of about 2 per cent for 1992 as a whole, rising to about 3 per cent next year. "While this is a slow and unspectacular recovery, it remains a recovery nonetheless," said Mr Ravi Bulchandani, of Goldman Sachs in New York.

The pace of the upswing is expected to depend heavily on the Bank of Canada, which has so far kept monetary policy tight to avoid a plunge in the Canadian dollar. With inflation running at slightly more than 1 per cent, real interest rates remain high.

Mr John Crow, the central bank's governor, has indicated, however, that while monetary stability is a priority the authorities have few immediate concerns about inflation. Mr Crow said in a speech last week that inflation had fallen faster than expected. "What is particularly important is the fact that costs of production in Canada are now under much better control," he said.

Little stimulus is expected from government spending over the next year. The provinces of Ontario and British Columbia have indicated that tax increases are in the offing.

Mr Donald Mazankowski, federal finance minister, has pledged to keep a tight rein on government spending, although his resolve will be tested next year as a general election, which must be held by November 1993, approaches.

Prudential chief says regulation move failed

By Norma Cohen and John Authers in London

MR Mick Newmarch, chairman of Prudential Corporation, Britain's largest life insurer, said last night that self-regulation of the UK's financial services industry was a failed experiment. He said it should be scrapped and replaced with statutory regulation.

"The Financial Services Act is an unsatisfactory basis for the adequate protection of savers," Mr Newmarch said in a lecture at the Staple Inn Actuarial Society.

"The implementation of the act was bold and well intentioned but the government should now acknowledge that the experiment has failed and begin to organise investor protection on a fully statutory basis under direct government control," he said.

He also called on his own industry, life insurance, to face up to valid criticism of its sales practices launched by consumer groups, the Office of Fair Trading and the press.

"The trading practices of the savings industry – and in particular of life offices – are subject to attack on an unprecedented scale. This must be a matter of concern to the whole industry," he said.

If the OFT cannot be persuaded to endorse current practices "we must take on board the message that our products and our methods of presenting them have not kept pace with the changing expectations of the public".

After Mr Newmarch's speech, the audience of about 300 life insurance and pensions practitioners, expressed near-unanimous support for his proposals through a show of hands.

His remarks come as the Securities and Investments Board, the chief watchdog for the self-regulatory system, is preparing a review for the Treasury about its own role. Mr Andrew Large, SIB chairman, has said he favours more statutory regulation.

Mr Newmarch's remarks are the first time any leading industry figure has called publicly for the scrapping of self-regulation and the first public acknowledgement by the life insurance industry of consumer concerns.

In explaining why he made such a public appeal, Mr Newmarch said he hoped to prompt the industry to begin thinking constructively about alternative regulatory structures. "If we don't get the message out the whole debate will just drift on and on," he said.

Mr Newmarch also declared that the SIB's efforts to reorganise self-regulation for retail financial services – the thorniest of all issues now before it – face failure.

The SIB has proposed a new framework, the Personal Investments Authority, to subsume two existing self-regulatory bodies, Fimbra and Lautro as well as absorb a third of the membership of a third, Imro.

"It has become apparent beyond reasonable doubt that the PIA does not enjoy the support necessary in the industry to achieve its successful launch as the sole regulator of private investor business," he said.

The life insurance industry in general, and Prudential in particular, had warned it would not join the new PIA unless banks and building societies join it as well. So far, those have shown no inclination to join.

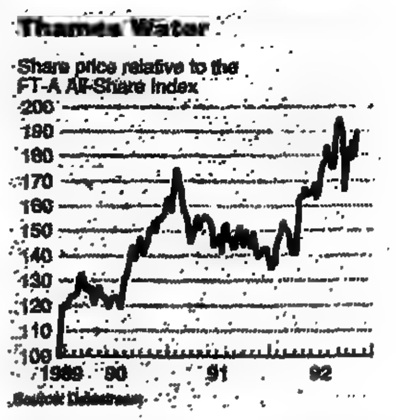
His remarks prompted the SIB to defend the PIA, saying it hoped the PIA would indeed be successful. Moreover, SIB said, Lautro, the self-regulatory body for the life insurance industry, had recently had notable success in rooting out bad practice.

Editorial Comment, Page 20

THE LEX COLUMN

Thames turns choppy

FT-SE Index: 2705.6 (+17.8)



It brings back memories of the old days to see a company punished by the market for delivering interim dividend growth of "only" 7.8 per cent. In common with other water companies, Thames has no incentive to apply gloss to its figures ahead of the periodic review by the regulator in 1994. But having flourished on expectations of high and stable dividend growth, water companies can hardly complain when investors are disappointed.

Thames still has to prove it is an effective manager outside the business of water supply. Its international hodge-podge of waste and engineering businesses made a profit of less than £1m in the first half on turnover of £123m. Even allowing for the ravages of the cycle, it looks as though Thames paid too much for the likes of UTAG in east Germany. Still, Thames has an impressive ability to take out costs in the basic water business. With a two-year deal with the regulator on pricing already in the bag, real annual dividend growth of around 4 per cent looks certain, at least up to the 1994 review.

Soon, though, the market will have to address the issue of how the sector will fare in the second half of the decade. By changing its licence to stop Ofwat meddling with its prices between the reviews scheduled at privatisation, Thames has taken the regulator by the horns. The downside is that, if costs are higher than anticipated, the company will be unable to pass them on to the customer.

True, the regulator has promised to take this into account when setting Thames' new pricing formula in 1994. But there is precious little hard information to go on. Ofwat is shortly due to publish details of how the review will be conducted. That will give the market something more serious to worry about than a slightly disappointing dividend.

Electrical retailing

Midlands Electricity may be throwing in its lot with Eastern's and Southern's electricity shops consortium, but the combined group lacks the potential to shine. The venture intends to keep most of its high street shops while electrical retailing's centre of gravity moves relentlessly out of town. Three separate corporate images will also be maintained, making it difficult to establish a national brand. Nor is there yet an attractive format to replace the dreary look of the traditional electricity showroom.

The approach can in part be explained by the desire of the regional electricity companies (RECs) to maintain a high profile with consumers. There are also customer service requirements which pin the companies to town centres. But given the very tough market for electrical goods, the electricity shops look increasingly like spoilers which can afford to stay in the game only because they have rich parents.

Under the circumstances the complaints from Mr Stanley Kalms, chairman of Dixons, are hardly surprising. Whatever the truth about suggestions of cross-subsidy, the losses incurred by the retailing operations of the RECs are a gnat-bite compared with their electricity transmission profits. The financial strength of the RECs also allows them to bid up the price of potential sites. Then again, Dixons' view of competition in electrical retailing is in contrast to its fears about monopoly when it was defending itself from Kingfisher.

Currencies

It will take the currency markets a little while to absorb the US election result. In the run-up to yesterday's poll there were conflicting opinions about the likely course of the dollar. One school argued that a Clinton victory would produce a combination of tighter money and looser fiscal policy similar to that which pushed the dollar sharply higher in the early Reagan years.

The dollar would still rise, though less spectacularly, with a Bush victory, because election uncertainty would be out of the way in the US, while the German economy looks weaker by the day.

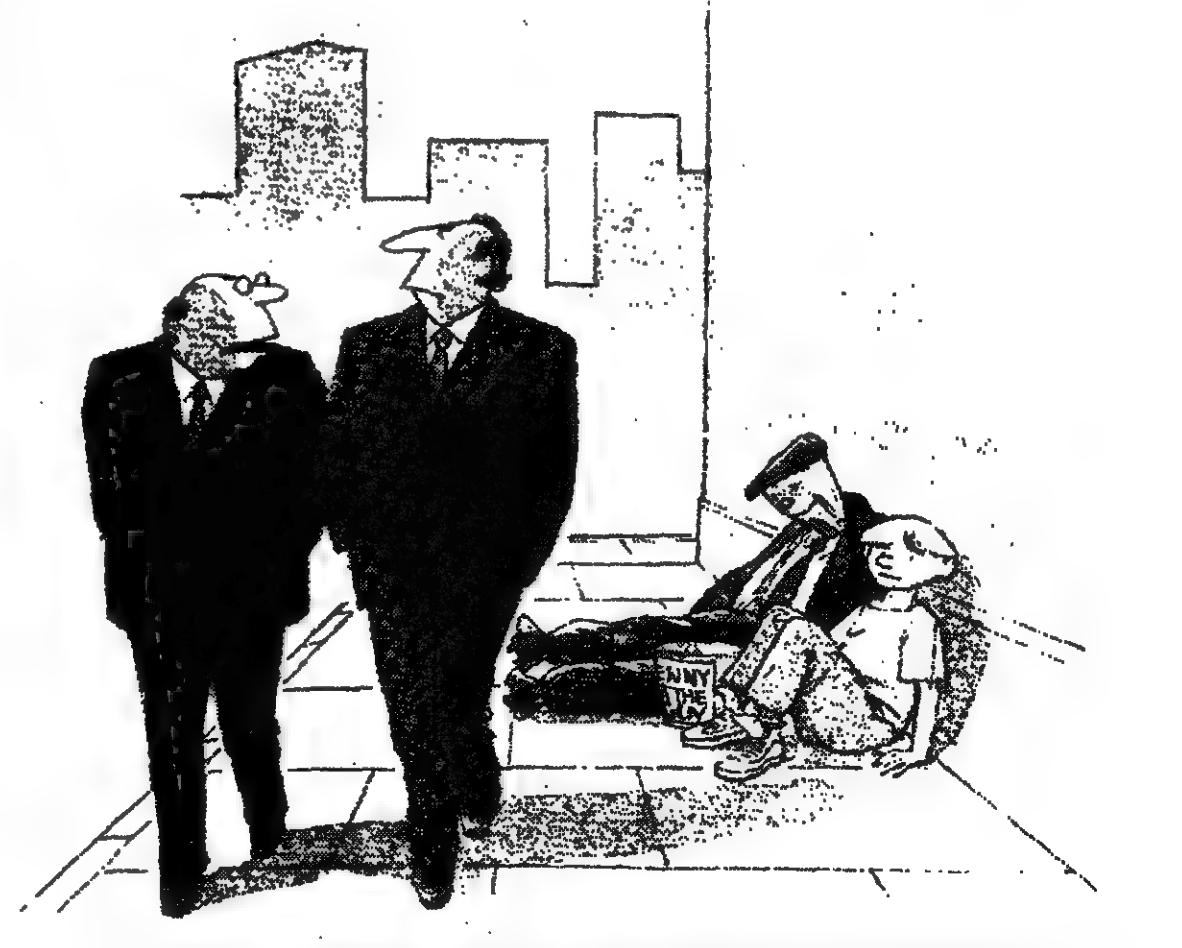
The other school is less certain. It argues that the US recovery remains elusive, while the Bundesbank may be tantalisingly slow in cutting official rates. Indeed, Mr Helmut Schlesinger, the bank's president, implied as much in Leipzig yesterday by reiterating concern about wage increases and the budget deficit.

Whichever version is correct, at some stage the market focus will shift away from interest differentials to relative growth prospects. The D-Mark would suffer all the more in that process if, by then, the Bundesbank had compounded Germany's downturn by excess of monetary zeal. How much more of that the market is now prepared to discount is another matter. The election will hardly produce much short-run change in the US fundamentals. But by last night's European close the dollar had already risen 13 per cent from its low against the D-Mark on September 2.

Allied-Lyons

The new top team at Allied-Lyons is proving anything but sentimental. The decision to put Château Latour up for sale makes sense in strategic terms, however strong the temptation to cling on to such a proud name. The estate has never made the group much of a return. The disposal will take Allied a stage further down its chosen route of focusing on international growth brands. Together with a cash injection approaching £150m from its Carlsberg venture, the proceeds should soon make a substantial dent in group net debt of £1.9bn. Accordingly, interest cover should rise from the current level of 3.8, which is low in comparison with 6.3 at Grand Metropolitan and 6.9 at Guinness.

That said, it is difficult to see the company making much of a turn on the deal. Based on the price at which it acquired the bulk of its stake from Pearson and other investors since 1988, the estate represents an investment somewhat in excess of £100m. Allied has given few details about how much the business actually earns, but it is a fair bet that it would need to conclude a sale on a multiple of between 20 and 30 to break even. It must be hoping that Axa, or whoever the final purchaser turns out to be, will not also latch on to the folly of buying brand names at unrealistic multiples simply because of their snob appeal.



"Admittedly it's a seasonal business, but the return on capital and the cashflow are outstanding."

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World Weather

		°C	°F
Ajaccio	S	19	66
Algiers	R	15	59
Amsterdam	F	11	52
Athens	S	23	73
Bahrain	F	28	82
Bangkok	F	32	90
Barcelona	S	18	64
Beijing	S	17	63
Beirut	S	29	84
Belfast	S	7	45
Belgrade	S	22	72
Berlin	C	10	50
Biarritz	C	15	59
Bombay	S	34	93
Bordeaux	F	16	61
Boulogne	S	12	54
Brussels	C	9	48
Budapest	C	19	[illegible]
Buenos Aires	R	20	68
Cairo	S	31	88
Cape Town	S	21	70
Caracas	F	30	86
Casablanca †	S	20	68
Chicago †	C	4	39
Cologne	C	10	50
Copenhagen	S	10	50
Corfu	S	23	73
Dallas †	F	17	63
Dublin	F	8	46
Dubrovnik		–	–
Edinburgh	S	9	48
Faro	F	21	70
Florence	S	15	59
Frankfurt	C	10	50
Geneva	F	11	52
Gibraltar	S	20	68
Glasgow	R	8	46
Helsinki	R	7	45
Hong Kong	S	27	81
Innsbruck	F	7	45
Inverness	F	8	46
Islamabad	F	25	77
Istanbul	S	18	64
Jakarta	R	31	88
Johannesburg	S	25	77
Lisbon	F	18	[illegible]
London	S	11	52
Los Angeles †	S	17	63
Luxembourg	C	7	45
Madeira	C	20	68
Madrid	S	16	61
Majorca	F	18	64
Malaga	S	21	70
Malta	F	25	77
Manila	F	33	91
Melbourne	C	18	65
Mexico City	C	23	73
Miami †	F	24	75
Milan	C	15	59
Montreal †	R	3	37
Moscow	C	2	36
Munich	R	7	45
Nairobi	F	18	64
Naples	S	24	75
Nassau	C	29	84
New Delhi	S	28	82
New York †	R	18	65
Nice	S	18	64
Nicosia	S	27	81
Oporto	F	17	63
Oslo	S	8	46
Paris	F	10	50
Prague	F	8	46
Reykjavik	C	1	34
Rhodes	F	24	75
Rio de Janeiro	C	31	88
Rome	S	24	75
Salzburg	R	8	46
S Francisco †	S	18	65
Seoul	S	15	59
Singapore	F	30	86
Stockholm	R	7	45
Strasbourg	F	11	52
Sydney	F	21	70
Taipei	F	26	79
Tangier	S	19	66
Tel Aviv	C	26	79
Tenerife	S	22	72
Tokyo	S	18	64
Toronto †	F	8	46
Tunis	C	21	70
Valencia	S	23	73
Venice	F	15	59
Vienna	R	7	45
Warsaw	F	10	50
Washington †	S	14	57
Zurich	C	8	46

Temperatures at midday yesterday
† Noon GMT temperatures
C–Cloudy Dr–Drizzle
F–Fair Fg–Fog H–Hail
R–Rain S–Sunny
Sl–Sleet Sn–Snow
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Wednesday November 4 1992

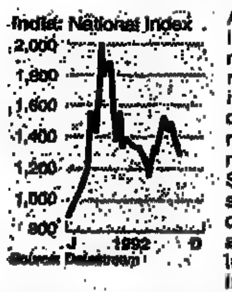
OVERSEAS MOVING
BY MICHAEL GERSON
081-446 1300

INSIDE

BAT seeks to expand in east Europe

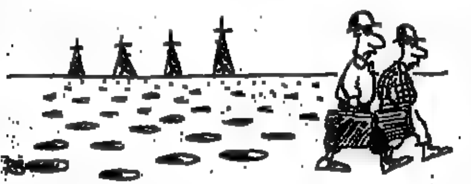
BAT Industries, the UK-based tobacco conglomerate, is negotiating to establish a joint venture with Moscow's largest cigarette factory. This marks a further advance in its long-term expansion strategy in the former Soviet bloc, where cigarettes are a currency that does not depreciate. **Page 29**

India's markets under strain



A sharp decline in India's scandal-hit stock markets in the past month is making life increasingly difficult for companies seeking to raise funds in the capital markets. The Bombay Stock Exchange's 30-share index fell 14.5 per cent between October 1 and last Friday, including a 5.3 per cent fall last week. Confidence has been hit by concern about the scandal in the inter-bank securities market, tax raids on brokers' offices two weeks ago, and a flood of rights issues. **Back Page**

Fruitless search for oil in Burma



Several international oil companies are on the verge of abandoning efforts to find oil and gas in Burma after collectively spending more than $400m in three years on almost fruitless exploratory drilling. **Page 32**

Banks' rescuer puzzles Japan

A company set up to help Japanese banks with their bad loans and property collateral will make hardly any impact, according to NHK, Japan's national broadcaster. It found that leading banks have been reselling unwanted land to each other at a profit, and that the lending for ill-conceived property projects continued into this year. **Page 26**

Problems underfoot

The west European carpet fibres industry is in a sorry state. Falling demand and substitution of materials has led to over-capacity among carpet fibre manufacturers. **Page 27**

Stakis hopes for get well card

Mr David Michels, chief executive of the Stakis Group, says the hotels, nursing homes and casinos group has moved out of intensive care and has left the hospital ward. In December, Stakis will produce its results for the year to September 30. **Page 30**

Henry Ansbacher taken over

Henry Ansbacher, the UK merchant bank, has agreed to be taken over by the First National Bank of South Africa, the first time a South African bank has acquired a UK bank. **Page 30**

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Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Bilf & Berger	890	+	15
Hochtief	1029	+	24
Holzmann Ph	945	+	30
Falls			
Colonia Konzern	720	−	20
Deckel (Fr)	29.4	−	30.1
Fag Kugelfisch	107	−	10
NEW YORK ($)			
Rises			
Gen Motors	32½	+	⅝
Falls			
Berlitz Intl	20	−	2¼
Coventry	19½	−	½
Chevron	68¾	−	1¼
Texaco	59¼	−	⅞
Phillips	23⅞	−	⅞
PARIS (FFr)			
Rises			
Fonc Lyonnaise	590	+	50
GTM-Entrepose	283	+	16
Havas	431	+	24.2
Legrand	4060	+	251
Schneider	554	+	34
Skis Rossignol	722	+	43

Tokyo closed. New York prices at 12.30pm.

35342

LONDON (Pence)			
Rises			
ADT	453	+	26
BOC	723	+	16
Barry Wehmiller	165	+	8
Clinton Cards	78	+	15
Gardiner	15	+	3
Glaxo	835	+	15
Gleeson (MJ)	658	+	45
LASMO	183	+	8½
NSM	38	+	4
National Power	262	+	13
Next	119	+	5
Nobo	104	+	11
P & O Dfd	464	+	12
PowerGen	266	+	17
Powerscreen	283	+	18
Rank Org	611	+	25
Stainless Mtl	30	+	3
TVS Ent	28	+	4½
Falls			
Barclays	340	−	10
Marshalls	47	−	3
Nthumbrian Wtr	530	−	20
Pearson	350	−	18
Reliance Sec	141	−	14
Weir Grp	534	−	18

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'We have a new management committee and we are going to have a new GM'

Hughes sees central role for GM Europe

Louis Hughes: clean sheet

By Kevin Done, Motor Industry Correspondent, in Ellesmere Port

IN LESS than eight months Mr Louis Hughes has moved from the post of chief executive at Opel to president of GM Europe and now executive vice-president for all GM's international operations.

He is part of a small and trusted team put together by Mr Jack Smith, GM's new chief executive and president, to try to resuscitate the battered fortunes of the world's largest industrial corporation.

"The chemistry goes back a long way," Mr Hughes said after landing in the UK yesterday. He was in Ellesmere Port, Cheshire, in north-west England where the company today opens its £190m ($309.7m) V6 engine plant as part of its plan to increase capacity in Europe by 25 per cent by 1995. GM's New York treasury office and the group's European operations run like a common thread through the careers of the small group of key executives chosen on Monday by a GM board desperate to staunch the group's massive losses in its North American motor operations.

"The group knows itself very well," says Mr Hughes.

In spite of being a member of the five-man inner circle at GM Mr Hughes will continue to be based in Zurich at the GM Europe headquarters.

"It makes sense," he said. "We are trying to take out layers of management. Europe is the critical mass of our international operations. It is part of our strategy to use Opel engineering and the Opel brand worldwide outside North America. We should steer that from Europe.

"And the other critical mass in Europe is Saab. It makes no sense to sit in Detroit with all the challenges in Europe. We will have to get better telecommunications for our management meetings."

Mr Hughes sees GM Europe with Opel's German engineering playing an increasingly central role in GM's worldwide operations outside North America.

Opel technology already supports GM's Holden operation in Australia. It has previously supported Daewoo Motor in South Korea until last month's divorce between GM and the Daewoo group became absolute. Opel cars will be assembled in Taiwan from next year, and there are growing links in products and components with South America.

"We hope that if Brazil gets into volume production of our Opel cars, we can ship some components, while they manufacture and export through Latin America.

"We already design in Germany for so many countries," said Mr Hughes, "but we must be cost-competitive.

"We will transform the structure of the international operations. It's time to rethink the way we have done business. We cannot ship all the support staffs from Detroit to Zurich, which is one of the most expensive cities in the world to have as headquarters.

"For me, it is a clean sheet of paper. I am willing to think about anything in terms of structure. We have a new management committee and we are going to have a new GM. That is the only way we are going to win."

He said GM's financial traumas in North America had not undermined any capital investment or product programmes in Europe, where GM is the most profitable volume carmaker.

"To make money you have to spend money, and we have been given the funds we need to run the business."

After dipping in the late 1980s GM Europe capital spending began to climb rapidly at the beginning of the 1990s, and spending would be high for the "next few years", said Mr Hughes.

Travelers hit by hurricane claims

By Nikki Tait in New York

DAMAGE CLAIMS from Hurricane Andrew, the storm system which devastated parts of southern Florida in late August, helped push Travelers Corporation, the Connecticut-based composite insurer, to a $385m after-tax loss in the third quarter. In the 1991 period it made a $65m profit.

The group has suffered from a souring property investment portfolio in recent years and has been attempting to boost capital through disposals and the sale of a minority share stake to Primerica, the financial services group.

Travelers said the after-tax cost of the hurricane was $240m. It had estimated the loss at $175m-$225m, and blamed the higher figure on "the widespread disruption and dislocation of resources necessary to rebuild damaged homes and businesses in south Florida".

Larger-than-expected restructuring charges of $202m further depressed results. Travelers had said it would take a $132m charge, largely to cover job cuts of 3,500. It now says it plans to axe a further 1,500 jobs among its corporate and administrative staff over the next two years.

"Our core businesses are sensitive to the protracted weak economy, and therefore we are continuing an intensive process to streamline operations," said Mr Edward Budd, Travelers chairman. He claimed that savings from the job cuts should start to show through next year, benefiting the company to the tune of more than $100m a year after tax by mid-1994.

Travelers after-tax loss came after realised investment gains of $37.6m, compared with a $15m loss in the same period of 1991. Net investment income was $696.3m, down from $792.3m a year ago – largely blamed on under-performing mortgage loans and property.

Stripping out the effects of the hurricane, restructuring charges and the accounting changes, Travelers said "core" operating earnings slipped from $68m to $44m in the quarter.

Travelers posted an after-tax deficit of $68m for the first nine months, compared with net profits of $249m last time.

UK utility joins retailing group

John Thornhill reports on protests over Midlands Electricity's sales consortium

Midlands Electricity yesterday confirmed it was to join a consortium with two other privatised regional electricity companies to create the UK's third-largest electrical retailing business.

Midlands said it would exercise its option, first announced in May, to acquire 28 per cent of the shares of E&S Retail, an electricity joint venture created by Eastern Electricity and Southern Electricity. These two companies will each hold 36 per cent of the remaining shares.

Midlands will transfer all its 82 stores, including three out-of-town outlets, to the joint venture on April 1. This will swell the joint venture's store portfolio to 311 shops with a combined turnover of about £250m.

The pooling of retailing operations signifies a further step in the commercialisation of the once-nationalised sector. However, rival electrical goods retailers have raised questions about the nature of this newly liberalised competition.

Only Dixons and Comet, owned by the Kingfisher Group, have bigger turnover in the electrical retailing sector.

Dixons, the UK's biggest electrical retailing chain, yesterday said it intended to file a submission with the Office of Fair Trading, the UK watchdog, alleging unfair retail competition from the regional electricity companies (Recs).

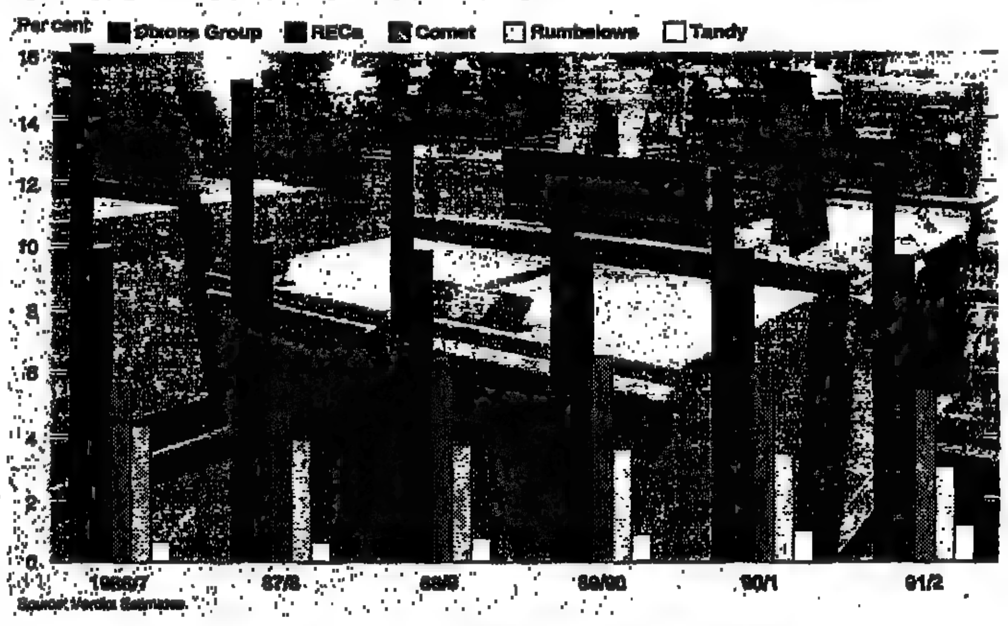
Mr Mark Souhami, Dixons deputy chairman, said the Recs were subsidising their retail activities from profits generated by their electricity interests to the disadvantage of rival retailers and the detriment of electricity customers. "It means consumers are possibly having to pay more for their electricity because these companies are choosing to subsidise unprofitable retailing activities," he said.

Mr Eamon Bradley, chief executive of the joint venture, yesterday rejected the charge although he accepted the retail businesses would lose money this year as a result of restructuring charges. Midlands said: "On its own our retailing business is not of sufficient size to have a future by itself and we believe that the joint venture is the right thing to do to strengthen its future.

"It is a completely free-standing operation focused on retailing which is divorced from the electricity companies," he said.

"The merger will hold up to scrutiny from any source. We are delighted to see how worried the competition are," he added.

UK electricals market shares



Source: Verdict Research

Originally, the Recs opened high street showrooms to offer customers facilities to pay their bills and provide information. Many of them also, as a sideline, sold electrical appliances to promote the wider use of electricity. Retail activities still represent less than 10 per cent of Recs turnover.

But following their privatisation two years ago, many Recs developed a more serious interest in retailing seeing it as an attractive avenue for expansion in a related but unregulated market.

Many Recs believed there were considerable advantages in merging their retailing, marketing and buying skills and began to acquire more stores as the loss-making Rumbelows chain announced it was making a phased withdrawal from the market.

Several Recs have also expanded into more profitable out-of-town locations – even outside their own catchment areas.

Mr Bradley said the main thrust of the combined group's future expansion would come from out-of-town superstores. The joint venture will run 11 such stores following the merger but has plans to open up to 50 within five years. The company will fund this expansion programme from its own financial resources.

The jobs of 800 Midlands stores and distribution staff will be secured although an unspecified number of redundancies will result from the abolition of some administrative support functions.

Mr Rodney Forrest, stores analyst at stockbrokers Credit Lyonnais Laing, says the commercialisation of the Recs will be a slow process. Over the long term, he suggests, the Recs will form professional retailing businesses run on strict commercial lines. But this is only likely to lead to the closure of many of the unprofitable smaller outlets leading to a more rational market.

"I cannot believe that Dixons or Comet will suffer much over the next five years," he said. Indeed, he suggested that they might benefit from the commercialisation process.

Lex, Page 22

Allied to sell Chateau Latour

By Philip Rawstorne in London

ALLIED-LYONS, the UK drinks, food and retailing group, has put Chateau Latour, one of the four leading Bordeaux vineyards, up for sale. Preliminary talks are being held with prospective buyers, including Groupe Axa, the French insurance company, according to industry sources.

The Médoc estate – once described by Allied's chairman, Mr Michael Jackaman, as "the jewel in our crown" – was estimated a year ago to be worth about £160m ($260.8m). But in the depressed state of the French wine industry, Allied might struggle to find a buyer at that price.

Allied's decision owes more to changes in the group's management strategy than market conditions. Since the £147m loss on currency trading early last year, the new team of Mr Jackaman and Mr Tony Hales, chief executive, has focused the group on international growth brands and improving the return on assets.

Allied bought the vineyard in 1988 for £58m. But Mr Jackaman said that with profits of about £5m a year the investment was difficult to justify on the basis of return on capital.

Allied is considered unlikely to dispose of its other wine businesses.

Lex, Page 22

US, Spain lead bank profit table

By Robert Peston, Banking Editor, in London

US AND Spanish banks are the most profitable banks in the world, according to Ibca, the UK credit rating agency.

However, not a single Japanese bank is in the world's 100 most profitable, even though eight of the 10 biggest banks in the world, ranked by assets, are Japanese. Only one German bank is in the top 50 and Germany's biggest, Deutsche, is number 116.

Every year Ibca examines the financial results of the world's 300 biggest banks. It then calculates each bank's profits as a percentage of equity, after adjusting for the inflation rate in the bank's home country, to give a measure of "real" profitability.

Ibca expresses each bank's profitability in an index form. A score of one means the bank is earning just enough to maintain its capital after adjusting for inflation. Any score above one means the bank is adding to its capital and less than one that it is depleting capital.

Nineteen of the top 50 banks are US-based. That will surprise analysts, because of problems experienced by many US banks. Indeed, Citicorp, the biggest US bank, was ranked 282 and earned a negative return.

But the US also has a large number of successful "super-regional" banks, such as Banc One which concentrate on the profitable retail market. Two of the world's most successful commercial banks, JP Morgan and Bankers Trust, are also in the US.

Universal banks, or banks combining retail and commercial operations, fare badly in the league table. The upper ranks are dominated by retail banks.

Three UK banks, National Westminster, Midland and TSB Group, are among 46 banks earning a negative return. However, the UK also has six banks and building societies in the top 50, including Lloyds.

The world's most profitable banks

Bank		Index of real profitability
1	Banco Popular (Spain)	1.398
2	Banc One (USA)	1.300
3	Banco de Santander (Spain)	1.254
4	State Street Boston Corp (USA)	1.239
5	Bangkok Bank (Thai)	1.232
6	United Overseas Bank (Singapore)	1.227
7	Banco Bilbao Vizcaya (Spain)	1.224
8	Bankers Trust (US)	1.223
9	Norwest Corp (US)	1.218
10	Bank of China (China)	1.216

Source: IBCA

This announcement appears as a matter of record only.
October 1992

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Tapie said to be in fresh talks on sale of Adidas

By Alice Rawsthorn in Paris

MR BERNARD Tapie, the French businessman and politician, is said to be holding new discussions on the sale of Adidas, the German sporting goods group controlled by his holding company, following the collapse last month of its proposed sale to Pentland of the UK.

The future of Adidas, controlled by a German holding company in which Bernard Tapie Finance (BTF) is majority shareholder, has been shrouded by uncertainty since Pentland withdrew its £215m ($329m) offer.

Mr Tapie is known to be keen to reduce his business interests to rebuild his political career. This summer he was forced to resign from the French cabinet after a seven-week stint as minister of urban affairs because of his involvement in a fraud case.

The case has since been settled. Mr Georges Tranchant, the French businessman who brought the case, dropped his suit last weekend after Mr Tapie agreed to an out-of-court settlement, so defusing the legal threat to his political prospects.

A newspaper report yesterday said Mr Tapie planned to sell Adidas, or to sever his links with BTF, to concentrate on politics again. BTF and Mr Tapie refused to comment on the issue. However, banking sources close to BTF said the report was "close to the truth".

Since the abandonment of the Pentland offer, US and Japanese sportswear groups have been mooted as potential purchasers for Adidas. Crédit Lyonnais, the state-controlled French bank which owns 10 per cent of BTF, has also been cited as a possible investor in Adidas.

BTF originally put Adidas up for sale to raise capital to pay off the debts incurred by its acquisitions during the 1980s. The sale to Pentland would have eradicated the debt leaving it with a cash surplus.

It is now thought to be under renewed financial pressure after the collapse of the Pentland deal and the proposed disposals of the Terraillon weighing machine business and La Vie Claire health food chain.

Thames Water rises to £124m

By Bronwen Maddox in London

THAMES Water demonstrated that utility companies are not immune to the recession when it reported half-year pre-tax profits up only 5 per cent to £124m ($190m).

It nevertheless increased its interim dividend by 8 per cent to 6.9p from 6.4p, but the stock market was disappointed the rise was not higher and the shares dropped by 7p to 485p. Sir Roy Watts, chairman, said the board felt the dividend balanced the interests of customers and shareholders.

Demand for water from businesses fell by 2.5 per cent, or £5m, in the six months to September 30 (against the first half last year). However, rises in water charges of around 8 per cent and this year's acquisitions of water services companies pushed turnover up 15 per cent to £502m, against £436m.

Mr Mike Hoffmann, chief executive, said the company had seen an increase in bad debts in the recession.

Pre-tax profit was also held back by the rise in interest charges to £15m, against last year's £3m, as the group took on debt to help fund the utility arm's 10-year £4bn capital spending programme. The London Ring Main, the new watercourse encircling London, which is one of the largest parts of the programme, is due to be finished in 1995 ahead of schedule, but it has helped push net debt to £383m against £327m in March and £156m the year before.

Mr David Luffnam, finance director, said the ratio of debt to shareholders' funds, now 23 per cent, would probably rise to 30 per cent by the year-end, but would then rise more slowly.

Pre-tax profits from Thames' diversification into water services, which now make up half of turnover, fell from £4.7m to £3.5m as UK industrial business weakened and US municipal business slumped ahead of the presidential election. Profits from UK property sales also fell to £3m, against £6m. Tax – almost entirely advance corporation tax on dividend payments – fell to £8m against £9m, allowing earnings per share to rise by 6 per cent to 30.1p against 28.4p.

Trading set to resume in Olipar, Lucia

By Alice Rawsthorn

SHARES in Olipar, the French property company linked to Mr Christian Pellerin, the property developer, and Lucia, one of its associate companies, are expected to resume trading on the Paris stock market tomorrow.

The shares were suspended pending the completion of the arrangements for the recapitalisation of Lucia, and the announcement of Olipar's interim results. Olipar and Lucia, in common with several other French property companies, have been badly affected by the slowdown in the property sector.

On Friday Lucia announced a FFr1.1bn ($206m) recapitalisation involving injections of capital from its major shareholders, including the Axa insurance group and Banque Nationale de Paris, as well as Suez and Compagnie Générale des Eaux, two of France's largest holding companies.

Rise in fee income helps Banco Exterior

By Tom Burns in Madrid

BANCO EXTERIOR, the flagship of the state-owned Argentaria financial group, has raised its third-quarter net profits by 11.3 per cent to Pta21bn ($188.4m) over the same period last year due to increased fee income and a stringent control of costs and of bad debts.

Exterior's financial income fell by 7.1 per cent to Pta267.8bn over the first nine months, but other ordinary revenue, mainly commissions, was up by 9.5 per cent to Pta16.6bn. Operating expenditure rose by only 3.8 per cent after a 4.3 per cent reduction in overall costs.

Pursuing "a very active" strategy over insolvencies, Exterior realised Pta22.1bn in bad debts, a 136 per cent improvement on the previous year's volume. Customer loans were reduced, year-on-year, by 8.7 per cent and Pta43.7bn was put aside for doubtful debts, a 19.8 per cent rise in the provisions allocated in the first nine months of last year.

Iberdrola hopes for 10% rise in group profits

MR INIGO Oriol, the chairman of Iberdrola, the Spanish utility, said he was hopeful 1992 group profits would rise about 10 per cent. In 1991, pre-tax profit rose 40 per cent to Pta96.12bn ($863.6m), Reuter reports from Madrid.

He said last month's peseta devaluation should not have any adverse effect providing provisions could be spread out over several years. Otherwise he saw a Pta8bn provision next year.

Mr Oriol spoke after a shareholders' meeting to approve terms for completing a merger between Iberdrola I and Iberdrola II, which will create Spain's largest private sector utility.

He said profits rose about 9 per cent in the first nine months.

Akzo bucks trend with steady profit

By Ronald van de Krol in Amsterdam

AKZO, the Dutch chemicals group, yesterday posted unchanged profits for the third quarter, bucking the trend of sharply lower earnings which have been reported by many of its European competitors in recent weeks.

The company also said it still hoped to post higher full-year net profit before extraordinary items, despite the general economic slowdown and adverse foreign currency movements.

Net profit in the third quarter was virtually flat at Fl 162.1m ($93.7m), compared with Fl 161.5m in the same period of last year. However, net profit for the first nine months rose by 8 per cent to Fl 586.2m.

Mr Syb Bergsma, finance director, attributed the company's ability to maintain profits partly to its product mix, which features speciality products not only in the chemicals sector and pharmaceuticals but also in fibres and coatings.

Last month, Akzo's Dutch competitor DSM, which is a big producer of base chemicals, reported a decline of more than 50 per cent in third-quarter results.

Other factors were greater efficiency following 2,200 job losses since early 1992 and an improved contribution from activities in the US, which accounts for 25 per cent of turnover.

Overall, the strength of the guilder against many foreign currencies, particularly the dollar, meant that group turnover fell 3 per cent to Fl 4.0bn, despite a 2 per cent rise in sales volume and a 1 per cent rise in average selling prices.

Operating profit showed a small decline to Fl 274m from Fl 279.9m.

Coatings, fibres and pharmaceuticals posted slight increases in operating profit, but this was not enough to outweigh the fall in chemical products' results to Fl 68m from Fl 91m a year earlier.

Akzo's interim dividend was held at Fl 1.50.

GrandMet completes sale of dairy units

By Paul Taylor in London

GRAND Metropolitan, the UK-based food and drinks group, yesterday completed the disposal of its Express dairy operations with the sale of Express Foods, the UK cheese and food service business, to a management-led buy-out team for £96m ($147m).

GrandMet put its dairy interests up for sale late last year as part of its strategy of focusing on developing international branded products in the food, drinks and retailing sectors.

The sale of Express Foods, one of the UK's biggest cheese manufacturers, means GrandMet has raised around £550m from the sale of its dairy operations. The liquid milk and short-life dairy product businesses of Express Dairy and Eden Vale were sold to Northern Foods in February for £359m and the Irish businesses were sold to Waterford Foods and Carbery Creameries for I£99m ($166m) in July.

Express Foods, which had trading profits of about £13m on turnover of £270m in the year to September 30, will become an independent company for the first time since it was established in the 1950s. The Express Dairy businesses were acquired by GrandMet in 1969.

Mr Roger Davenport, chief executive, who led the management buy-out supported by Mr Simon Oliver – a leading entrepreneur in the dairy industry who has been appointed non-executive chairman – expressed confidence yesterday that the profitability of the business could be further improved. "Over the last few years we have steadily reduced our overheads and we are now leaner and fitter than for a long time," he said.

Funding for the deal was arranged by Electra Kingsway and comprised loans of £45m and equity investment of £51m. The equity was underwritten by Electra Private Equity Partners and Prudential Venture Managers, while the debt and working capital has been shared equally between Bank of Tokyo, Union Bank of Switzerland and Bank of Scotland.

Mr Tim Syder, a director of Electra who will represent the institutional investors on the board, said the deal represented one of the largest MBOs this year. However, he said it was also "much more conservatively funded" than many earlier management buy-outs, and the purchase price represented a significant discount to net assets, which totalled "well over £100m".

Express Foods is one of the largest suppliers of "own brand" cheeses to the UK retail sector which accounts for about 40 per cent of its turnover.

Although Cheddar cheese represents about 75 per cent of sales, the group also manufactures "territorial cheeses" and produces several value-added products, including Stilton, under the Tuxford and Tebbutt and Lockerbie retail brands.

COMPANY NEWS IN BRIEF

SIEMENS, the German electrical and electronics group, has ended a 22-year-old joint venture with South Korea's Goldstar Telecommunication by selling off its stake on the Seoul stock market, the Securities Supervisory Board said, Reuter reports from Seoul.

The German company sold its final 7.98 per cent holding, about 479,000 shares, between October 25 and 28.

Goldstar Telecom, a unit of Lucky-Goldstar Group, was listed in 1974 and produces cordless phones, home automation and telecommunications equipment. Siemens and Goldstar signed a 25-75 joint venture in 1970 to produce mechanical telephone switchboard systems.

THE GERMAN association of co-operative banks (BVR) said its members' total balance sheet assets grew at their strongest rate in 11 years in the first three quarters of 1992, Reuter reports from Munich.

Mr Wolfgang Grueger, BVR president, said total balance sheet assets of its 2,750 west German members grew by 9 per cent to DM625bn ($398bn) from DM572bn in the same 1991 period.

The balance sheet total of the 274 east German member banks was up 11 per cent.

VOLKSWAGEN, Europe's largest carmaker, said it would boost production capacity at its plants in China, Reuter reports from Frankfurt.

Volkswagen said it would raise the annual production capacity of its Santana model at the Shanghai plant to 110,000 next year from 65,000 and increase it further to 150,000 by 1995.

AUSTRIAN Airlines, which is cutting costs to counter losses, is expanding its profitable East European services, company officials said, Reuter reports from Timisoara.

The partly-privatised airline will fly to Timisoara twice a week, Mr Norbert Draskovits, the eastern Europe manager said on the inaugural flight to the west Romanian city.

SAAB Automobile, jointly owned by Saab-Scania and General Motors, said its sales of new cars on the US market rose 54 per cent to 2,403 units in October from 1,560 units in the same month in 1991, Reuter reports from Stockholm.

The CS and CSE models accounted for 892 units, or 37 per cent of Saab's total US sales in October, the group said.

In the first 10 months of 1992, Saab has sold 22,578 units in the US, an increase of 1.7 per cent over the same period a year earlier.

CHINA & EASTERN INVESTMENT COMPANY LIMITED

Preliminary Annuuncement of the Final Results for the Year Ended 31st July, 1992.

	1992 US$	1991 US$
NET ASSETS	49,569,350	32,587,857
GROSS REVENUE		
Investment income	1,769,951	1,290,468
Net income/(loss) from share dealing	88,703	(69,910)
	1,858,654	1,220,558
ADMINISTRATIVE EXPENSES	1,395,050	973,568
PROFIT BEFORE TAXATION	463,604	246,990
TAXATION	770	2,381
PROFIT FOR THE YEAR	462,834	244,609
SPECIAL INTERIM DIVIDEND – PAID	204,000	–
FINAL DIVIDEND – PROPOSED	204,000	–
RETAINED PROFIT FOR THE YEAR	54,834	244,609
EARNINGS PER SHARE	US$0.0232	US$0.0140
FINAL DIVIDEND PER SHARE	US$0.01	–
NET ASSET VALUE PER SHARE	US$2.43	US$1.73
OTHER TRANSFERS TO/(FROM) RESERVES		
Net profit on disposal of investments	US$406,164	US$624,460
Increase/(decrease) in valuation of investments	US$13,804,961	US$(2,371,924)

EARNINGS PER SHARE
The calculation of the earnings per share is based on profit for the year of US$462,834 (1991: US$244,609) and on the weighted average number of 19,952,429 shares (1991: 17,486,261 shares) in issue.

TAXATION
The charge represents overseas withholding tax.
During the year the majority of the Group's income was not assessable to Hong Kong Profits Tax as it was generated from offshore activities and capital transactions. The estimated assessable profit has been wholly absorbed by taxation losses brought forward and tax which would otherwise have been payable at 17.5% (1991: 16.5%) amounts to approximately US$13,000 (1991: Nil).

EXTRACT FROM THE CHAIRMAN'S STATEMENT
Your Company's listed investments benefited from the positive political and economic climate in China and the Company's net asset value per share has increased by 40% in the year ended 31st July, 1992 whilst the earnings per share has increased 66% in the same period.
There is optimism in the Hong Kong market place following positive statements from China's senior leaders and the elevation of younger reform minded proteges of Deng Xiao-Peng. The normalisation of relationships between China and South Korea further confirms China's intention to open to the outside world.
With the Hong Kong economy and corporate earnings expected to grow by 5% and 18% per annum in the next two years respectively, leaving the market trading at an undemanding multiple of eleven times 1993 earnings, and the PRC's continued economic progress and development of their capital markets, there will continue to be attractive investment opportunities for your Company.

FINAL DIVIDEND
Your Board recommends the payment of a final dividend of US$0.01 in respect of the 1992 financial year (1991: NIL).

REDEMPTION, PURCHASE OR CANCELLATION OF SHARES
There was no redemption, purchase or cancellation of shares by the Company or its subsidiaries during the year.

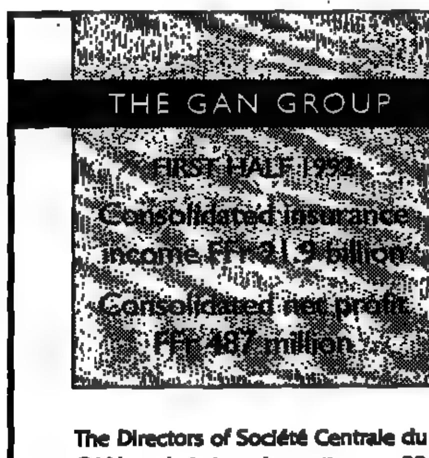
By order of the Board

M.G. Bond
Company Secretary
3rd November, 1992

The Annual Report and Accounts will be posted to shareholders in the middle of November, 1992 and will be made available to the public at the Company's Registered Office; 8th Floor, Prince's Building, Hong Kong; its Registrar; Central Registration Hong Kong Limited, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong and its U.K. Transfer Agent; Barclays Registrars Ltd., Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The Annual General Meeting will be held at 11:00 a.m. on 10th December, 1992 at 155 Bishopsgate, London EC2M 3XY.

The Register will close at 4:00 p.m. on 26th November, 1992 and will re-open at 9:00 a.m. on 11th December, 1992. All transfers must be lodged with the Registrar no later than 4:00 p.m. on 26th November, 1992.

THE GAN GROUP



FIRST HALF 1992
Consolidated insurance income FFr 21.9 billion
Consolidated net profit FFr 487 million

The Directors of Société Centrale du GAN at their board meeting on 23 October 1992, presided over by Monsieur François HEILBRONNER, reviewed the consolidated accounts for the first half of 1992.

INSURANCE ACTIVITIES

Consolidated premium income for the 6 months ended 30 June 1992 amounted to FFr 21.9 billion, a rise of 11.9% over the same period of 1991 (+11.7% on a comparable basis).

Life assurance and capitalisation in France: the fruits of bancassurance

Income from French life assurance and capitalisation companies rose 3.4%. This increase masked contrasting trends: Socapi, the joint subsidiary of GAN and CIC, once again had strong growth (+65%), but GAN Vie, after several years of rapid expansion, suffered a 12% decline in income due to a drop in single-premium contracts.

At the end of June GAN Vie's profit was comparable to that of the first half of 1991.

General insurance in France : continuing expansion

French general insurance companies recorded a 19.4% increase in premium income (+18.7% on a comparable basis).

Technical provisions in the general insurance sector rose considerably over the first half of 1991. Like all the other companies operating in this sector, GAN Incendie Accidents was affected by increased claims in the motor insurance division (particularly car thefts and break-ins), and also by the impact of a greater number of industrial claim.

Due to the considerable decline in the amount of realised capital gains, compared with the first half of 1991, GAN Incendie Accidents' net result was negative.

To address the problem, appropriate measures have been taken, including modulated price increases as well as greater selectivity of risks.

Insurance abroad: returning to breakeven

Income from GAN's foreign subsidiaries rose 18.4% (+16.7% on a comparable basis).

The considerable restructuring undertaken in 1991 in the most affected foreign subsidiaries (portfolio restructuring, price increases, staff and cost reductions) is starting to bear fruit: the net result of GAN's foreign subsidiaries should be close to break even in 1992.

Consolidated insurance net profit: FFr 331 million

Increased claims in the general accident area were responsible for the decline of the technical result despite a marked turnaround in GAN's foreign operations. In addition, the prudent management of GAN's portfolio resulted in the realisation of fewer capital gains. The contribution of the insurance activities to GAN's consolidated net profit was therefore FFr 331 million.

BANKING AND FINANCIAL ACTIVITIES

CIC Group: a significant increase in provisions

The CIC Group's net banking income rose 5.7% over the same period of 1991 (+4.9% on a comparable basis). Thanks to tight control of overheads, gross operating income reached FFr 2.7 billion, a rise of 11% over the first-half figure of 1991.

Small to medium-sized companies are suffering from the present economic slowdown and certain Group subsidiaries are being seriously affected by the recession in the property sector; extremely high provisions have therefore been passed (FFr 2 billion against FFr 1.3 billion in the first half of 1991) and this effort will also be continued in the second half of the year.

Operating profit after provisions and depreciation amounted to FFr 336 million.

Due to the decline in exceptional items compared with the first half of 1991, CIC's net consolidated income amounted to FFr 153 million. The contribution of the CIC Group to GAN's consolidated net profit (Group share) was FFr 58 million.

GAN's other banking and financial subsidiaries

The other banking and financial subsidiaries comprising BIF (Banque pour l'Industrie Française), Alphabourse, GAN Participations, Finabail, Solybail and UIS contributed FFr 98 million to consolidated net profit.

BUSINESS CONDITIONS AND CONSOLIDATED NET INCOME

Consolidated operating income for all the group's divisions - insurance, banking and financial activities - amounted to FFr 61.1 billion, a rise of 6.8%.

Consolidated net profit (Group share) was FFr 487.1 million for the 6 months ended 30 June 1992, against FFr 961.9 million for the first 6 months of 1991.

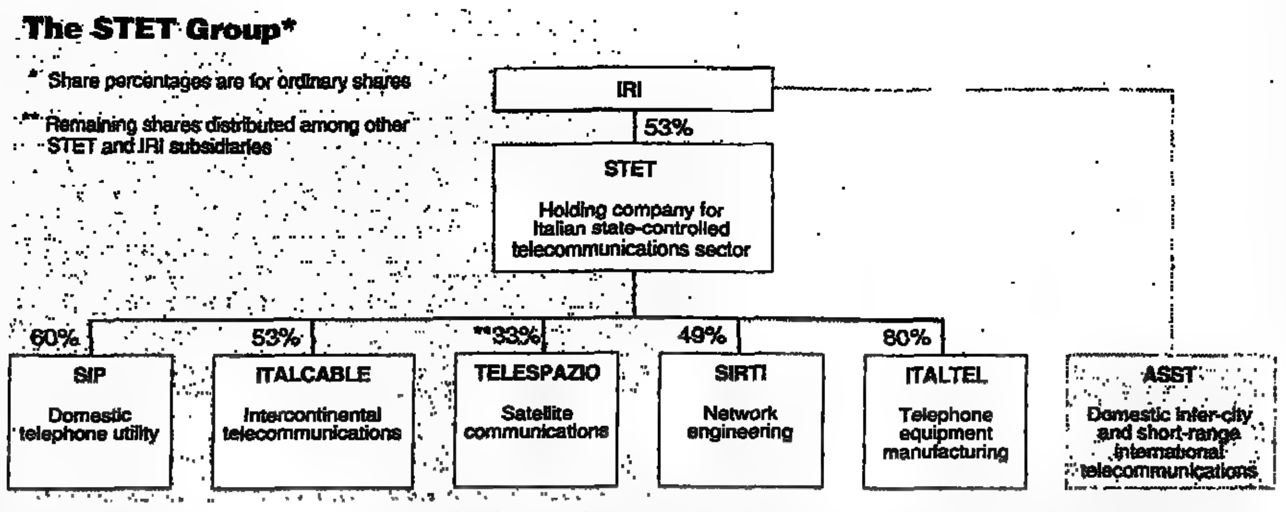
If there is no improvement in market conditions, and taking into account the exceptional events which have occurred since 30 June (cyclone Andrew, floods in the south of France), the net profit of the GAN Group in 1992 is likely to be considerably less than that of 1991.

GROUPE gan

Europe's largest banking and insurance Group

Stet suffers from crossed lines with investors

Haig Simonian on the problems of Italy's state-run telecoms sector



IMAGINE an international telecoms group as a collection of separate companies. One specialises in local calls, the others foreign traffic, equipment manufacturing and so on. Each has its own board, and stock market quotation.

Add a highly politicised management and the normal infighting of a big corporation, and you have a fairly clear picture of how Italy's state-run telecommunications sector works.

Enmeshed in a L40,000bn ($29.79bn) four-year investment programme, Italy's telecoms companies have raised productivity and quality. Many analysts praise Stet for boosting investment and services, which should increase profits.

But lamentable co-ordination and political differences often leaves the telecoms companies vulnerable. Last month, Stet, the holding company, was forced on to the defensive after buying Finsiel, a computer software company controlled by IRI, the state holding concern that also owns Stet.

For many analysts, frustrated by the group's poor transparency and steadily falling share price, spending L700bn on Finsiel was the final straw. It was widely suspected that the deal, sprung on a Friday evening after the markets had closed, was merely an excuse to raise funds for cash-strapped IRI. Stet's shares plunged 23 per cent when trading resumed, though they have since recovered.

Analysts were unconvinced by Stet's claim that the purchase was essential to provide badly-needed software expertise. "I can understand there have been criticisms, but I don't think they have been fair," says Mr Umberto Silvestri, one of Stet's two managing directors. "The important thing in any acquisition is that it should have an industrial logic, not who buys the company from whom."

He claims that Finsiel, which has a virtual monopoly in writing software for Italy's public sector, will give Stet a technological leap. Mr Francesco Silvano, Stet's other managing director, points to opportunities. Although most of Finsiel's business has nothing to do with telecoms, the link between communications and data processing is growing, he argues.

Both men defend the price tag for Finsiel, which they say is in line with similar deals. Mr Michael Armitage, a Morgan Stanley analyst, also backs the transaction, even if critical of its presentation.

But at hastily-arranged meetings in London and Milan last month, investors voiced very different views. Many are convinced acquiring Finsiel, which earned just L29.4bn on sales of L1,283bn last year, will depress Stet's earnings, raise debt and have little benefit for the foreseeable future.

Such cynicism contrasts with the appeal of many international telecoms stocks which, in spite of heavy spending on modernisation and new value-added services, have become a favourite longer-term investment for fund managers.

For state-owned companies, privatisation has added a speculative edge. For Italy's Amato government, striving to cut a huge budget deficit, telecoms could also be a rich source of privatisation revenue.

However, privatisation is still a dream for Stet. Although IRI's stake has fallen to 53 per cent, the state is still in charge. Stet's own holdings in its subsidiaries have also been falling, but there, too, it retains a majority in all but Sirti, the network engineering arm where control is guaranteed through a pact with the biggest private shareholder.

Attempts to rationalise Italy's telecoms companies have been fraught with political difficulties. Earlier this year, the government finally approved the long-awaited incorporation of ASST, the agency controlling inter-urban and some international communications, into IRI.

That could have been the first step towards a single "Telecom Italia", along the lines of the UK, Germany or France. Instead, IRI's proposal shuffled some ASST activities around the existing companies, while leaving the overall number unchanged by transferring other operations to Iritel, an embryonic successor.

Stet executives are unwilling to discuss re-organisation and privatisation, arguing that such issues are outside their competence. But such replies are becoming unacceptable now that the role of outside shareholders is growing. "It's a shame Stet is so atrocious when it comes to investor relations," says one analyst. "At L1,035 [the share's floor price in the immediate aftermath of the Finsiel deal] it was an extraordinarily good buy."

"I hope last month's events made its executives more aware of their responsibilities to investors," adds a banker. Like many colleagues, he complains that many state-sector executives act as if they are in a vacuum when it comes to the markets. "They didn't like what they heard from big investors. But it may have done them good," he says.

Fukutake seeks to renegotiate Berlitz purchase

By Alan Friedman in New York

THE PRICE of Berlitz shares slumped by more than 10 per cent yesterday morning after the Princeton-based language school and publishing group disclosed that its prospective Japanese buyer was seeking to renegotiate terms.

The request for a renegotiation came after Berlitz reported a sharp drop in third-quarter operating income.

Berlitz shares fell by $2¼ to $20 yesterday morning after the company said that Fukutake Publishing of Japan was seeking to alter the financial terms of its planned acquisition.

Under the original plan, Fukutake was to pay roughly $270m as part of a complex transaction that would have created a new Berlitz holding company, of which the Japanese buyer would own 67 per cent.

Berlitz, meanwhile, said its operating income for the three months ended September 30 was $1.211m, down sharply from the $5.248m achieved in the same period a year earlier. Sales for the three months were $69.606m, against $62.537m in the same quarter of 1991.

For the first nine months of 1992, Berlitz had operating income of $9.825m, compared with $18.484m.

The Berlitz saga is complicated by the fact that some 56.5 per cent of the company's shares were pledged to banks last year as collateral for loans made to the late Mr Robert Maxwell.

These shares had been nominally owned by Macmillan, which was at the time part of the Maxwell Communication Corporation (MCC).

MCC is now operating under Chapter 11 of US bankruptcy law and the status of the Berlitz shares is the subject of various legal actions.

The Fukutake deal involved cash payments to existing Berlitz shareholders; the setting up of a new holding company that would assume $160m of debt; a formula for Berlitz shareholders to eventually receive a total of 33 per cent of the new Berlitz company; and promises for payments to shareholders that would be based on certain MCC notes held by Berlitz.

Cigna stays in the black despite heavy storm losses

By Nikki Tait

CIGNA, one of the biggest composite insurers in the US, unveiled a large drop in third-quarter earnings, but was profitable despite heavy losses from Hurricane Andrew which ravaged southern Florida and Louisiana in August.

Cigna said that after-tax profits for the three months to end-September totalled $55m, down from $123m a year ago, with realised investment gains contributing $52m ($10m).

The third-quarter results reflected catastrophe losses of $139m, before tax, of which $131m came from Hurricanes Andrew and Iniki, a second storm system which hit Hawaii later in the autumn.

In the same three months of 1991, Cigna's catastrophe losses were $17m.

As a result of these losses, Cigna's property-casualty division produced a $270m deficit for the quarter, despite after-tax investment gains of $29m against a $5m profit, including after-tax investment gains of $7m, in the same period in 1991.

However, the company added that its other three divisions had "strong" earnings in the third quarter.

Cigna is showing after-tax profits of $286m for the first nine months of the year, including realised investment gains of $122m. At the same stage in 1991, the figure was $341m, helped by realised investment gains of $51m.

SAS rules out Continental bid

By Christopher Brown-Humes in Stockholm and Nikki Tait in New York

SCANDINAVIAN Airlines Systems (SAS) has decided not to participate in any of the bids for Continental Airlines, the US air carrier which has been in bankruptcy since late 1990.

SAS has had a co-operation agreement with Continental since 1988, under which it feeds around 150,000 passengers a year into Continental's US network.

This was cemented by a $100m investment in Continental, since written off.

The Scandinavian carrier said yesterday that it saw no point in making a further investment in Continental as the co-operation was now "firmly established" and would continue.

SAS has three members on the Continental board.

The bid deadline for Continental expired on Monday, with at least three suitors thought to be still in the running.

Continental confirmed that Lufthansa, the German airline which had considered making an offer with Mr Marvin Davis, the Californian financier, was no longer pursuing a deal.

This appeared to leave three contenders: a consortium lead by Mr Charles Hurwitz's Maxxam group; an offer from Mr Alfredo Brener's Houston Air; and a proposal from Air Canada in conjunction with a Texan investment partnership.

Shortly after bids closed, Air Canada confirmed it was still interested in Continental, but declined to give more details. The Maxxam group also said it had submitted an offer by the deadline.

Although both the Air Canada and Maxxam consortia confirmed that they had submitted bids for Continental by Monday's deadline, Houston Air was less forthcoming.

"In the interest of the future of Continental Airlines and integrity of its bidding process, Houston Air believes it would be inappropriate to make further comment on the status of its bid for the airline at this time," it said.

Continental has to present the "best offer" to the bankruptcy court on November 9.

NYSE calls for inquiry into SelectNet system

By Patrick Harverson in New York

THE New York Stock Exchange has called for an inquiry into the the all-electronic share trading system run by Nasdaq, a rival stock market operated by the National Association of Securities Dealers.

In a letter to the Securities and Exchange Commission, the securities industry watchdog, the NYSE argues that elements of Nasdaq's SelectNet trading system circumvent the SEC's rules on information disclosure.

SelectNet allows traders to negotiate prices and execute trades over a computer screen.

This is more advanced than normal Nasdaq market trading, where share prices are listed on screens but most trades are initiated over the telephone.

Currently, only Nasdaq stocks can be traded on SelectNet, but Nasdaq filed for SEC approval earlier this year to begin trading NYSE-listed stocks on the system.

The NYSE's opposition to SelectNet is based on its claim that prices are not disseminated widely enough on the system to ensure that the standards of price discovery mandated by government regulations are met.

Air Canada fails to agree plan for merger

AIR Canada has failed to agree terms for a merger with rival Canadian Airlines International, writes Robert Gibbens in Montreal.

The terms of a pre-merger agreement made by Air Canada and PWA, parent of Canadian, on October 8 "contained conditions that cannot be met". The deal is "unachievable", Air Canada said.

Under the merger plan, Air Canada and Canadian would have continued as separate entities while a new holding company would have been formed with shareholders of each group exchanging their stock for new shares in the holding company.

All of these securities having been sold, this announcement appears as a matter of record only.

New Issue
October 1992

4,000,000 Shares

KEMET®

KEMET Corporation

Common Stock

800,000 Shares

The above shares were offered outside the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette Securities Corporation
Merrill Lynch International Limited
Cazenove & Co.
Daiwa Europe Limited
N M Rothschild & Sons Limited
Paribas Capital Markets Group
Swiss Bank Corporation
S.G. Warburg Securities

3,200,000 Shares

The above shares were offered in the United States and Canada by the undersigned.

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Bear, Stearns & Co. Inc.
The First Boston Corporation
Alex. Brown & Sons Incorporated
Dillon, Read & Co. Inc.
A.G. Edwards & Sons, Inc.
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The undersigned acted as financial advisor to HemoCue Intressenter AB.

September 1992

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Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 04.11.92 Pool purchase price £/MWh	Final Prices for Trading on 07.10.92 Pool purchase price £/MWh	Pool selling price £/MWh
0030	20.32	17.70	17.70
0100	23.68	17.70	17.70
0130	28.17	17.70	17.70
0200	28.17	17.70	17.70
0230	22.72	17.70	17.70
0300	22.72	17.70	17.70
0330	20.68	17.70	17.70
0400	20.32	17.70	17.70
0430	17.72	17.70	17.70
0500	18.12	17.70	17.70
0530	18.03	17.68	17.68
0600	18.12	17.68	17.68
0630	20.32	17.72	17.72
0700	23.45	22.13	23.72
0730	23.48	28.90	28.81
0800	23.67	24.85	28.45
0830	24.68	28.76	30.45
0900	28.83	28.77	30.45
0930	28.50	28.76	30.45
1000	28.38	28.76	30.45
1030	28.38	27.19	28.81
1100	28.83	27.19	28.78
1130	28.83	27.20	28.78
1200	28.38	27.20	28.77
1230	28.38	27.19	28.76
1300	28.38	28.90	28.48
1330	26.83	28.35	27.92
1400	21.75	24.92	28.48
1430	21.75	24.92	28.48
1500	21.75	24.92	28.48
1530	21.25	24.92	28.47
1600	26.88	24.92	28.47
1630	30.40	24.92	28.45
1700	48.59	28.88	30.50
1730	47.00	28.88	30.50
1800	38.13	28.88	30.50
1830	30.64	22.02	22.02
1900	28.79	34.43	38.20
1930	27.79	34.43	38.17
2000	27.78	31.20	32.87
2030	24.68	31.18	32.88
2100	24.68	27.03	28.64
2130	23.65	27.03	28.65
2200	23.65	27.03	28.68
2230	23.28	27.03	28.70
2300	20.90	22.13	23.88
2330	20.32	21.34	22.88
2400	18.62	21.10	22.64

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.88/MWh becomes 1.688p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by NGC Settlements Limited. Anyone wishing to receive such information should telephone 0602-456789 between 8.30am and 5.15pm Monday to Friday.

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Date fixed for Rand Merchant Bank listing

By Philip Gawith in Johannesburg

RAND Merchant Bank Holdings (RMBH), one of South Africa's top three merchant banks, has been granted a listing on the Johannesburg stock exchange from November 25, offering investors their first chance to invest directly in the company.

The listing follows the merger earlier this year of Rand Merchant Bank with Momentum Life, a local insurance company. As a result of the merger RMBH holds 77 per cent of Momentum, which in turn owns 100 per cent of Rand Merchant Bank (RMB), the operating arm of RMBH.

Together with UAL, the merchant banking arm of the Nedcor group, and Standard Merchant Bank, RMBH is one of South Africa's main merchant banks, with a reputation for innovation and entrepreneurial flair. RMB was instrumental in establishing the South African futures market in the mid-1980s.

The listing also offers investors exposure to Momentum, considered by the market to have good recovery potential in the hands of RMB. In particular, it is thought that RMB will able to improve returns on the R9.2bn ($308bn) assets Momentum had under management at the end of June.

The Johannesburg exchange has granted a listing for 55m shares, which analysts believe will trade at about R10 each, giving the group a market capitalisation of more than R500m. No capital is being raised through the listing, which is designed to make shares available to the investment community and to open the way for future funding.

Currently, directors and management hold 46.3 per cent of RMBH, the Sage financial services group holds 26.2 per cent, Absa 13.1 per cent, and other institutions and individuals have 14.4 per cent. Absa, South Africa's largest bank by market capitalisation, is seeking to sell its stake as it already possesses merchant banking activities in the form of Absa Merchant Bank.

Mr Louis Shill, Sage chairman, said yesterday that his company's stake in RMBH was a strategic investment which it intended to hold.

RMBH will be listed in the insurance sector, reflecting the fact that about 70 per cent of group assets are in insurance, and the generally better ratings in this sector than in banking.

It disclosed attributable profits of R37m in the year June 1992. Analysts believe, however, that under the terms of an exemption under the South African Banks Act, RMBH could have transferred as much as a third of its profits to internal reserves in the year.

Japan's banks sweep up their bad loan troubles

A complex company is being set up to untangle the sector's difficulties, writes **Robert Thomson**

FOR the past few days, ordinary Japanese have been puzzling over the complex structure of a company being set up to aid the country's troubled banks by buying their bad loans and property collateral that has plunged in value.

Meanwhile, the banks have been congratulating themselves on their timely move to deal with what they are seeking to portray as their temporary difficulties.

However, this self-congratulatory mood was crushed on Monday evening when NHK, Japan's sober national broadcaster, laid out the full, gory details of the country's banking crisis. It made clear that the industry's new company would hardly impact on problems extending deep into the economy. Armed with wads of leaked bank documents and a sense of indignation, NHK found that leading banks have been routinely reselling unwanted land to each other at a profit, and that the lending for ill-conceived property projects continued into this year.

In setting up the new company, the Federation of Bankers' Associations faced the conflicting demands of tackling the banks' fast-growing non-performing loan portfolios while maintaining the image that the non-performing loans do not represent a serious threat to the health of Japan's financial system.

The Ministry of Finance announced on Friday – at the same time as the banks unveiled their new institution – that the non-performing loans of the leading 21 Japanese banks rose by 54 per cent to Y12,300bn ($99.2bn) in the six months to the end of the September, while the loans not covered by collateral rose from Y2,562bn to Y4,000bn on a total loan portfolio of Y396,000bn.

Those figures do not tell the full story, as they represent a very narrow definition of a non-performing loan and do not include the troubled loans of all affiliates. A popular estimate for the non-performing portfolios of leading banks is around Y30,000bn, while there is no accurate estimate of the total number of non-accrual loans held by regional banks, non-bank banks and property finance corporations.

The new institution is expected to begin untangling some of this mess early next year. Ms Mineko Sasaki-Smith, chief economist at Credit Suisse Research Japan, said the banks' move was at least "a step in the right direction".

But Ms Sasaki-Smith said the company was founded on the questionable principle that there would be buyers for property collateral which the banks had so far been unable to offload. That is why, as NHK found, banks have been selling properties to paper affiliates, booking profits from those sales and hoping against hope that a worsening property market would improve.

In some ways, the workings of the new company are not far removed from that practice. For instance, Bank A, owed Y10bn by an ailing developer, would sell that loan to the new institution, which would rely on an "independent" valuation of the property collateral to calculate the loan's market value.

If the loan and land was estimated to be worth Y7bn, Bank A would provide the Y7bn for the institution to buy the loan and the right to sell the land. Thus, a Y10bn non-performing loan to the developer became a Y7bn loan to a reputable, bank-run company and Bank A could write-off the Y3bn loss this financial year.

Tax considerations weighed heavily on the bankers' federation, as the transfer of land to the new company would have drawn a tax charge. But the new company does allow the banks to sidestep an old dispute with the National Tax Agency, which insisted that the banks cannot write-off loans until the property collateral was sold and the loss was clear.

There is an apparent understanding among the banks and the finance ministry that the land collateral will be generously valued, providing an artificial floor for the property market and limiting the tax write-offs. If, after five or six years, the new company is still unable to dispose of the land, Bank A must buy back the rights and would then take a second write-off, stretching out the tax concessions and delaying the day of reckoning.

The bankers' federation hopes that the valuations, to be done by a panel of assessors and accountants, will stimulate a property market that it concedes is "dead". In the hope of stirring demand, the federation will limit initial dealings with the institution to non-performing loans backed by property collateral which has a chance of finding a buyer and a clear title.

As such, the company will be of use to the larger, less bruised banks able to furnish the loan funds and able to produce a clear title to the property. But smaller institutions, some of which are in particularly bad shape, are unlikely to make much use of the new body, which will have a start-up capital of about Y6bn, shared among participating banks.

The issue of title is important, as it is becoming clear that less honourable property developers borrowed many times on the same piece of land. Meanwhile, the banks, which insisted they only provided funds equivalent to 70 per cent cent or less of a property's value, regularly provided money in excess of valuations made at the height of the financial "bubble" era in the late 1980s.

One side-effect of these lending habits is a sharp rise in court actions launched by banks and other financial institutions in an attempt to recover money through auctions of property collateral. In the first eight months, cases rose 36 per cent, essentially because institutions could not agree among themselves on the division of rights to the property.

Clearing away the debris will take many more court cases and far longer than the banking industry has publicly forecast. A survey of 34 banks by NHK found that privately, none of these institutions expect the problems to be solved within three years and half reckon it will take five or more years. Over that period, the bankers' federation is likely to be forced to alter the structure of its loan purchase company and the Japanese government, in one form or another, may have to take the unpopular step of providing public funds to assist troubled institutions.

Textiles company tries to recapture a former industrial glory

Arvind will soon be one of the world's largest suppliers of denim cloth, writes **Stefan Wagstyl**

ON the outskirts of Ahmedabad, a dusty city in north-western India, engineers are fitting out a new textiles mill with state-of-the-art machinery from Germany and Japan. Bullock carts regularly roll past the site which will soon be one of the world's largest suppliers of denim cloth and also a large producer of material for shirts.

This factory is the pride and joy of Mr Sanjay Lalbhai, managing director of Arvind Mills, the biggest employer in Ahmedabad and one of India's largest textiles groups.

Mr Lalbhai is trying to win back for Ahmedabad a touch of its former industrial glory. Once known as the Manchester of the east for its vast cotton mills, Ahmedabad has long since lost its pre-eminence in textiles following decades of declining investment.

Mr Lalbhai is determined that Arvind, which was founded by his great-grandfather and is controlled by his family, should not follow other companies into liquidation. "We are very strongly focused on export markets. And we have modernised, unlike some other mills which have made the same products on the same machines for 50 years."

Other large Indian textiles groups are also responding to the government's economic reform programme by investing in export businesses.

They have seen how decades of over-dependence on a protected low-margin domestic market has sapped the industry's competitive strengths. Now that the government is promoting exports, they are trying to put a priority on overseas markets for the first time in decades.

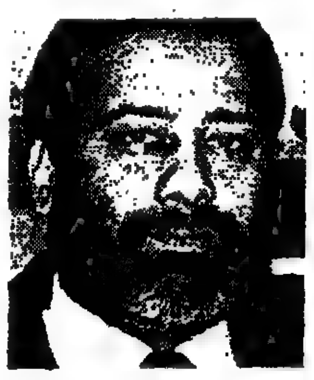
But few companies are as single-minded in the pursuit of exports as Arvind. It is investing Rs6bn ($211.1m) in an attempt to increase textiles exports from Rs500m in the year to March 1992 to Rs5bn by the year to March 1994, when fully 60 per cent of turnover is planned to come from overseas sales.

It has this year signed a deal with Cluett, Peabody, the US clothing group, for the joint manufacture of shirts. Within the next year, it is planning to become the first Indian textiles group with sales offices overseas – in New York, London and Hong Kong.

Mr Lalbhai started preparing these moves long before the reformist government ofprime minister Narasimha Rao took office last year. Arvind's export programme dates back to the mid-1980s when Mr Lalbhai decided the group risked going into decline if it continued to rely on low-margin, low-quality domestic markets.

His first reaction was to diversify – into electronics and other growth industries. But these moves have brought only modest success. More important was the decision to upgrade textiles production by greatly increasing exports.

Mr Lalbhai believes India has considerable competitive advantages in textiles, including abundant raw cotton, plentiful trained manpower and a long history of textiles manufacture. But he admits Indian companies must overcome some serious disadvantages such as poor infrastructure, little experience of foreign markets and the low-quality image of Indian goods overseas. He adds that while government reforms have improved business conditions in the past year – especially cuts in duties on machinery imports – severe restrictions remain.


Sanjay Lalbhai: projects an outward-looking image

Foreign businessmen who have dealt with Arvind say it is a cut above most other Indian textiles companies in quality and efficient service. Mr Lalbhai's ability to project an outward-looking image for Arvind is also not in doubt.

But one buying agent in Delhi warned: "Sanjay [Lalbhai] knows where he wants to take the company. But will the rest of the group follow him? Don't forget this is a very traditional Indian company."

Mr Lalbhai is aware of the challenge. He has made a point of reforming Arvind's recruitment policies – by employing executives from outside the textiles industry, including marketing and production specialists from the Indian subsidiaries of multinational companies.

But he admits it is not easy transforming Arvind, let alone the whole Indian textiles industry. "There are no short cuts. We must convince the clients through years of good service. That's what Japan had to do."

Bausch and Lomb Indian venture to make Ray-Ban sunglasses

By Shiraz Sidhva in New Delhi

BAUSCH and Lomb India, a joint venture between the Indian Bhai Manjit Singh group and the US eyecare company, yesterday formally inaugurated India's first integrated plant to manufacture eyecare products, including Ray-Ban sunglasses, at Bhiwadi in Rajasthan.

The plant, with an investment of Rs290m ($10.2m), is also Bausch and Lomb's first attempt at setting up an integrated optics plant, manufacturing on one site a range of eyecare products such as soft contact lenses, cleaning solutions, deproteinising tablets, metallic frames and Ray-Ban sunglasses.

The US company has a 39.9 per cent equity stake in Bausch and Lomb India, with an initial investment of $1.10m. While the agreement was signed in 1990, test marketing for the products began in June this year.

The company is the first to introduce ready-to-wear soft contact lenses onto the Indian market – lenses would otherwise be made to order.

The joint venture is part of Bausch and Lomb's plan to establish itself in markets in different parts of the world, where the market for contact lenses and other eyecare products is underdeveloped.

In the past few years, Bausch and Lomb has begun developing the untapped markets of Turkey, China, Malaysia, Indonesia and Venezuela.

Mr Daniel E.Gill, chairman and chief executive of Bausch and Lomb, said that the Indian venture is a logical extension of this globalisation.

Tokyo Seimitsu acquisition

By Emiko Terazono in Tokyo

TOKYO Seimitsu, a leading Japanese producer of semiconductor-manufacturing systems, has agreed to buy Silicon Technology, a US chip equipment maker.

Tokyo Seimitsu said it would pay $14m for Silicon Technology, which has annual sales of $5.6m. The move is part of the trend for Japanese companies to expand overseas amid the current slump in the Japanese semiconductor market. Many Japanese chip equipment makers are eager to acquire new technology from US companies. Mr Yasuo Komatsuzaki of Semiconductor Equipment and Materials International, an international trade group, said Japanese acquisitions of US equipment makers may accelerate in the near future.

Tokyo Seimitsu hopes to expand its US distribution network and develop products with Silicon Technology. Silicon Technology also has a distribution network in eastern Europe and Russia, which Tokyo Seimitsu hopes to use.

Please note that this notice is *not* a notice of a meeting of a class of creditors of Olympia & York Developments Limited and affiliates to be held under the *Companies' Creditors Arrangement Act* (Canada) pursuant to certain court orders (the "O&Y Meeting") but this notice is a notice of a formal meeting of bondholders of Olympia & York First Canadian Place Limited under the relevant trust indenture and is intended as a means of providing important information to bondholders prior to the O&Y Meeting.

NOTICE OF MEETING OF HOLDERS OF
SERIES 1, SERIES 2 AND SERIES 3 BONDS OF
OLYMPIA & YORK
FIRST CANADIAN PLACE LIMITED

NOTICE is hereby given that a meeting of the holders of Series 1, Series 2 and Series 3 Bonds (the "Bonds") of Olympia & York First Canadian Place Limited (the "Company") issued under and secured by the Trust Indenture for Secured Bonds dated as of September 19, 1988 made by the Company in favour of The Royal Trust Company, as trustee (the "Trustee"), as amended by First Supplemental Indenture dated as of September 19, 1988 (collectively the "Trust Indenture"), will be held at 10:00 o'clock a.m. (Toronto time) on Wednesday, the 25th day of November, 1992 at Room 206, BDE Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario for the purposes of:

1. enabling the formal committee of bondholders (the "Committee") formed by Extraordinary Resolution dated June 4, 1992 (the "Resolution") to provide information to the holders of Bonds (the "Bondholders") concerning various matters relating to the Company, the Bonds, the security underlying the Bonds and the potential enforcement thereof;
2. enabling the Committee and its counsel to provide the Bondholders with information and analysis that the Committee believes would be important to an understanding of the content of the plan of arrangement and compromise (the "Plan") of the Company and Olympia & York Developments Limited as the Plan relates to the Bonds;
3. considering and, if thought fit, passing such Extraordinary Resolutions and other resolutions pursuant to the Trust Indenture as may be necessary or advisable at the date of the meeting; and
4. taking such further or other action, whether by way of Extraordinary Resolutions pursuant to the Trust Indenture or otherwise, as may be advisable.

This notice is given pursuant to the Trust Indenture to the intent that any Extraordinary Resolution adopted at the meeting or at any adjournment thereof (the "Meeting") in accordance with the Trust Indenture shall be binding upon all holders of Bonds and his or her heirs, executors, administrators, successors and assigns, whether present or absent, and that the Trustee (subject to the provisions for its indemnity contained in the Trust Indenture) shall be bound to give effect thereto accordingly. This notice describes only the general nature of the business to be transacted at the Meeting and holders of Bonds are urged to attend the Meeting to be advised of the specifics thereof.

Holders of Series 1 and Series 2 Bonds
Series 1 and Series 2 Bonds have been issued in fully registered form only in accordance with the Trust Indenture. Registered holders of Series 1 and Series 2 Bonds may attend the Meeting in person or may appoint another person as proxy by depositing an instrument appointing the proxy signed by the holder of the Bond or an attorney of the holder of the Bond, together with:

(a) in the case of an instrument signed by the holder of the Bond, either (i) a certificate of a notary public or other officer authorized to take acknowledgements that the person signing the instrument acknowledged to him or her the fact and date of the signing of the instrument or (ii) an affidavit of a witness of such signing; or

(b) in the case of an instrument signed by an attorney of the holder of the Bond, (i) the writing appointing the attorney to sign the instrument and either (A) a certificate of a notary public or other officer authorized to take acknowledgements that the holder of the Bond acknowledged to him or her the fact and date of the signing of the writing or (B) an affidavit of a witness of such signing and (ii) either (A) a certificate of a notary public or other officer authorized to take acknowledgements that the attorney signing the instrument acknowledged to him or her the fact and date of the signing of the instrument or (B) an affidavit of a witness of such signing.

Holders of Series 3 Bonds
Series 3 Bonds have been issued in bearer form only in accordance with the Trust Indenture. Holders of Series 3 Bonds may:

(c) attend the Meeting in person by depositing either (i) the Bonds or (ii) a voting certificate executed by any bank, banker, trust company or other depositary satisfactory to the Trustee, wherever situated, certifying that on the date therein mentioned such holder had on deposit with such depositary the Bonds designated in such certificate and that such Bonds will remain so deposited until December 15, 1992; or

(d) appoint another person as proxy by depositing the items described in (c) above together with an instrument appointing the proxy signed by the holder of the Bond or an attorney of the holder of the Bond and, in the case of an instrument signed by the holder of the Bond, the items described in (a) above or, in the case of an instrument signed by an attorney of the holder of the Bond, the items described in (b) above.

Any bank, trust company, insurance company or governmental department or agency approved by the Trustee that is a holder of Series 3 Bonds may satisfy the requirements in (c) above by depositing a voting certificate signed by it certifying that it is the holder of the Bonds designated in such certificate and that it will continue to hold such Bonds until December 15, 1992.

Deposits, Proxies and Forms
All deposits in connection with the Meeting may be made:

(a) by a holder of Series 1 or Series 2 Bonds with the Trustee at the addresses set forth below; and

(b) by a holder of Series 3 Bonds with (i) the Trustee at the addresses set forth below or (ii) Bank of Montreal, 11 Walbrook, London EC4N 8ED, England,
in each case at or before 4:00 o'clock p.m. (local time) on Monday, the 23rd day of November, 1992 or with the Trustee at the place of the Meeting on the day of the Meeting prior to its commencement.

Persons appointed as proxies need not be holders of Bonds. The holders of Bonds may not appoint the Trustee as proxy.

All instruments of proxy and certificates referred to herein shall be in a form satisfactory to the Trustee. Forms of instrument of proxy and affidavit of signing will be mailed to registered holders during the week of November 2, 1992. In the case of bearer holders, forms of instrument of proxy, affidavit of signing and voting certificate may be obtained on or after November 9, 1992 from the Trustee at any of the following branches or from Bank of Montreal at the address set forth above:

Branch	*Mail Address*	*Delivery Address*
Halifax, N.S.	P.O. Box 1058 B3J 2X1	Centennial Building 1660 Hollis Street 3rd Floor B3J 1V7
Montreal, Que.	P.O. Box 700 Station "B" H3B 3K3	16th Floor 2001 University Street H3A 2A6
Toronto, Ont.	P.O. Box 7010 Adelaide Street Postal Station M5C 2W9	393 University Avenue 5th Floor M5G 1E6
Winnipeg, Man.	P.O. Box 748 R3C 2M2	330 St. Mary Avenue 3rd Floor R3C 3Z5
Regina, Sask.	P.O. Box 1035 S4P 3B2	2201-11th Avenue S4P 3B2
Calgary, Alta.	P.O. Box 2955 T2P 2Z3	600 The Dome Tower 333-7th Avenue SW T2P 2Z1
Vancouver, B.C.	Mall Level 1177 W. Hastings St. V6E 2K3	Mall Level 1177 W. Hastings St. V6E 2K3

DATED this 4th day of November, 1992.

THE ROYAL TRUST COMPANY
Lawrence Johnson
Secretary

FT
COMMENT
TRAVELS
THE
WORLD

MFC
Mortgage Funding Corporation No.4 PLC
(Incorporated in England and Wales with limited liability under registered number 2133465)
Dual-Class
Mortgage Backed
Floating Rate Notes
Due 2035
Class A-1 £100,000,000
Class A-2 £100,000,000

For the interest period 30th October, 1992 to 29th January, 1993 the Class A-1 notes will bear interest at 7.975% per annum. Interest payable on 29th January, 1993 will amount to £1,292.39 per £65,000 note. The Class A-2 notes will bear interest of 8.175% per annum. Interest payable on 29th January, 1993 will amount to £2,038.15 per £100,000 note.

Bankers Trust Company, London Agent Bank

BARCLAYS INVESTMENT FUNDS (LUXEMBOURG)
Société d'Investissement à Capital Variable ("the Company")

Registered Office:
Centre Mercure, 7th Floor, 41, avenue de la Gare,
L-1611 Luxembourg, RC Luxembourg 31439

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders is to be held at the registered office of the Company on Monday, 16th November 1992 at 11:30 am (or as soon thereafter as it may be held) for the following purposes:

1. To receive and adopt the Directors' Report of the Auditor for the period to 31st July 1992.
2. To receive and adopt the Statement of Net Assets and the Statement of Operations for the period to 31st July 1992.
3. To grant a discharge to the Directors in respect of their duties for the period ended 31st July 1992.
4. To grant a discharge to the Auditors in respect of their duties for the period ended 31st July 1992.
5. To re-elect Messrs Dennis, de Montis, Pauly and Wilmart as Directors of the Company.
6. To re-appoint Messrs Price Waterhouse as Auditors.
7. Miscellaneous.

Voting
Shareholders are advised that in accordance with the Articles of Incorporation the Annual General Meeting of Shareholders will require a quorum of 10% of the shares outstanding.

Voting Arrangements
In order to vote at the meeting the holders of Bearer shares must deposit their shares not later than 13th November 1992, either at the registered office of the Company, or with any bank or financial institution acceptable to the Company, and the relative Deposit Receipts (which may be obtained from the registered office of the Company) must be forwarded to the registered office of the Company to arrive not later than 13th November 1992. The shares so deposited will remain blocked until the day following the meeting or any adjournment thereof.
The holders of registered shares need not deposit their certificates but can be present in person or represented by a duly appointed proxy.
Shareholders who cannot attend the meeting in person are invited to send a duly completed and signed proxy form to the registered office to arrive not later than 13th November 1992.
Proxy forms will be sent to the registered Shareholders with a copy of this Notice and can be obtained from the registered office.
The Board of Directors


Some ideas were never meant to fly.

But the Toshiba GTO Thyristor was meant to run. And run it does on many European railways.
The GTO Thyristor is a small, lightweight silicon wafer that has the huge task of converting energy efficiently – which it does – on the TGV, the ICE and even the Transmanche super trains.
It is just one way Toshiba semiconductor technology is helping people keep their ideas on the right track.
And not just as a flight of fancy.

GTO Thyristor

In Touch with Tomorrow
TOSHIBA

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Call 071-873 4211 Fax 071-873 3084

PepsiCo to make $16m expansion in Greece

By Kerin Hope in Athens

PEPSICO, the US soft drinks maker, is expanding in Greece through the acquisition of Best Foods, a northern Greek manufacturer of snacks, for a reported Dr3.2bn ($16m).

Best Foods, based in Thessaloniki, produces corn curls and other snacks for the local market. Sales this year are projected to rise from Dr1.7bn to Dr2.5bn with profits increasing from Dr80m to Dr250m.

The acquisition was made through 7-Up Netherlands, a European subsidiary of PepsiCo. Earlier this year, PepsiCo took control of Tasty Foods, another Greek snack manufacturer, following the merger of the US company's European operations with General Mills.

Pepsico entered the Greek market three years ago with the takeover of Ivi, a struggling Athens bottler which produced Pepsi Cola and 7-Up, together with local soft drink brands and mineral water.

After cutting losses in 1991 to Dr2.6bn, down from Dr4bn the previous year, PepsiCo-Ivi expects to make a modest profit this year. It plans to invest Dr7bn in the next two years on modernising production and strengthening distribution, notably among the Aegean islands.

Although sales are up by around 6 per cent this year, PepsiCo-Ivi's share of the Greek soft drinks market has remained at around 18 per cent. However, Loutraki Water, the company's leading brand, claims to have increased its share of Greece's growing mineral water market to 35 per cent.

Job-cut costs keep Dofasco in the red

By Robert Gibbens in Montreal

DOFASCO, Canada's biggest steelmaker, blamed lower shipments and high staff severance costs for a third-quarter loss of C$14.7m (US$11.8m), or 27 cents a share. This compares with a loss of C$10.1m, or 24 cents, a year earlier.

Steel price pressures and a four-week shutdown at the company's iron ore mines in Quebec added to the loss. Overseas shipments were off sharply in the quarter, and revenues dipped 6 per cent to C$468m.

The nine-month loss was C$98.2m, compared with C$23.5m a year earlier.

Dofasco expects the fourth quarter to be slow, although flat-rolled products are showing some improvements.

Royal Trust down C$243m

By Bernard Simon in Toronto

ROYAL TRUST, the Canadian financial services group, hopes to shake off financial problems which have dogged it in recent years with a package of measures which include a deep dividend cut, an equity issue and a special loan-loss reserve.

The Toronto-based company said all its operations, with the exception of those in the UK, were profitable.

But write-downs on discontinued operations and the new bad-debt provision pushed the company to a third-quarter loss of C$243m (US$195m), or C$1.68 a share, compared with earnings of C$33m, or 10 cents, a year earlier.

Royal Trust's share price tumbled 15% to C$3.70 on the Toronto stock exchange before the close yesterday.

Its problems stem mainly from a disastrous expansion outside Canada in the late 1980s, including the acquisition of Dow Chemical's financial services arm and the purchase of a string of US west coast savings and loan institutions.

The Seattle-based S&Ls, brought together under Pacific First Bank, were sold last week for C$663m.

Third-quarter earnings include a write-down of C$73m on the investment in Pacific First. However, Royal said the sale would strengthen its capital base by C$195m, lifting its capital-to-assets ratio from 9.4 per cent to 12 per cent.

The quarterly dividend has been halved to 5 cents a share and the board has approved a C$200m equity issue. Terms of the issue will be announced later, but Royal said its controlling shareholder, Trilon Financial, had agreed to take up its share.

Royal and Trilon are controlled by the Toronto branch of the Bronfman family.

The special C$150m provision is designed to cushion the company against loan losses "in the event of a further decline in economic conditions".

Telefonica of Argentina thrives

By John Barham in Buenos Aires

TELEFONICA de Argentina, Argentina's largest privatised telephone company, has almost doubled its profits, according to Mr Jose Bustamante, the company's president.

He said preliminary figures showed an 88 per cent rise in net income to $222m for the year to September, against $118m in 1991. He added that sales rose more slowly, to $1.63bn against $1.037bn last year.

Telefonica, which is managed by Telefonica Internacional, an arm of Spain's state-owned telephone company, was privatised in November 1991. It has a monopoly on services to the southern region of Argentina, including half of Buenos Aires, for at least seven years.

Profits have climbed due to indexation of rates and an exchange rate that further magnifies profits. However, the 1991 figures are slightly understated because they cover an 11-month accounting period.

Telefonica, like Telecom Argentina, the smaller privatised company which covers the northern half of the country, has also raised profits by tightening up management, sacking employees and rapidly installing more lines. But, despite high charges and aggressive investment policies, service remains mediocre.

Telecom, which has not made any preliminary statement on its 1992 performance, is expected to report an even stronger rise in net income. Telecom's profits rose to $117.3m in the first three quarters of the year on sales of $862m, against $53.3m in the 11 months to September 1991 on sales of $880m.

Arab bank nearly doubles profits

ARAB Banking Corporation (ABC), the biggest Arab bank, has nearly doubled net profit for the first nine months of 1992, Reuter reports from Manama.

The bank, traded on the Bahraini and Paris bourses, said profit after estimated taxes rose to $60m in the period from $31m the year before.

Mr Abdullah Saudi, chief executive, attributed the rise in the net to a lower cost of funds, lower taxes, expanded business in trade financing and the recovery of some $20m in interest that had not been paid on loans to Argentina.

He said unaudited operating profits rose 36 per cent to $183m from $135m. It boosted the provisions it was making for bad loans to $98m from $53m.

After $6m for minority interests in subsidiaries such as Banco Atlantico in Spain, pre-tax profits showed an increase of 22 per cent to $79m.

Despite the higher pre-tax profit, estimated taxes fell to $19m from $34m because the branches with little or no tax did relatively better than heavily taxed units in Europe.

Lower interest rates also meant it was less costly to fund non-performing loans. The bank remained cautious about new lending, total loans and advances rising modestly to $11.2bn at the end of September from $10.6bn a year earlier.

Total assets rose to $20.8bn from $19.6bn. Total deposits rose to $16.6bn from $16.1bn.

Besides the shares held by the public, the bank is owned by the Emirate of Abu Dhabi, the Libyan Treasury and the Kuwaiti Finance Ministry.

Chilean telecoms group considers $150m issue

By Leslie Crawford in Santiago

COMPANIA de Telefonos de Chile, the Chilean telecommunications company quoted on the New York Stock Exchange, may place between $150m and $200m of convertible bonds in US and European financial markets.

Claudio Garcia, CTC's financial vice-president, said the company's board would meet this week to consider the bond issue. "They will be 10-year bonds convertible into shares after the third year, but we have not yet fixed the coupon they will carry," Mr Garcia said.

Goldman Sachs is to manage the placement, and CTC's present shareholders are to be given first option in taking up the offer. Telefonica of Spain owns a controlling 46 per cent stake in CTC.

CTC is the main local telephone company in Chile and controls a sizeable portion of the long-distance and cellular telephone market. The bond issue would help finance CTC's $500m investment outlays planned for 1993, as well as reduce borrowings.

The company posted an accumulated net income of 46.27bn pesos ($123m) for the first nine months of 1992.

Moody's opens office in Spain

MOODY'S Investors Service, the US rating agency, has extended its European operations with the creation of a subsidiary in Spain, writes Richard Waters.

The agency, which already has operations in London, Paris and Frankfurt, has maintained its practice of opening offices from scratch rather than forming joint-ventures with local agencies, a method favoured by its rival, Standard & Poor's.

The new office was prompted in part by recent legislation which will make securitisation easier for Spanish borrowers, said Mr Jan Konstanty, managing director of Moody's in London.

Du Pont faces tough test of fibre

Paul Abrahams examines the potential buyers of its carpet capacity

DU PONT'S swap of chemical assets with Imperial Chemical Industries, which was given the green light last month by the European Commission, could provide a few headaches for the US group.

A condition of the deal was that Du Pont dispose of 12,000 tonnes of newly-acquired nylon carpet fibre production.

Du Pont says it has already had a couple of unsolicited expressions of interest about the capacity, but given the sorry state of the west European carpet fibres industry, it is far from clear how serious these might be.

Falling demand and substitution by other materials, in particular polypropylene, has led to gross over-capacity among carpet fibre manufacturers.

Nylon carpet fibres come in two types. The most common is continuous filament, while the other is discontinuous or staple fibre. ICI's former plant at Oestringen, in Germany, which manufactures both types, is the most likely candidate for disposal, although Du Pont says the final decision is yet to be made.

European capacity currently exceeds demand. Sales of carpet filament last year were 164,000 tonnes, compared with a capacity of 230,000 tonnes. Meanwhile, demand for staple fibre was only 138,000 tonnes, compared with a capacity of 180,000 tonnes, according to the Brussels-based International Committee of Rayon and Synthetic Filament (CIRFS). About 70 per cent of production is used in carpets.

Europe is a net exporter of both types, but has little chance of reducing over-capacity by raising sales abroad.

WESTERN EUROPEAN NYLON PRODUCERS

Company	Market share %
Bulk Continuous Filament	
Du Pont	21
Snia/Rhône Poulenc	15
Beaulieu	12
Aquafil	11
ICI	10
Allied-Signal‡	9
Radicci	9
Akzo	8
Others	2
Polyamide Stable Fibre	
ICI	35
Snia/Rhone Poulenc	28
Du Pont	20
Others	17

‡ imported from the US

Source: Snia

says Mr Jean-Louis Juvet, director-general of CIRFS.

The fall in demand has been created not just by consumers putting off purchases. Large groups, such as department stores, are not replacing floor coverings, says Mr Stan Davies, an independent consultant. Demand in the automotive market is also depressed.

Meanwhile, although nylon has 39 per cent of the fibre market for textile floor-coverings, polypropylene has captured 36 per cent and is shortly expected to overtake nylon. In addition, nylon is under competition from cheap wool.

Operating rates in the nylon carpet fibres industry remain terrible, says Mr Juvet. In filament, only 74 per cent of capacity was running last year, while staple production was running at 83 per cent. Analysts believe no European nylon carpet fibre manufacturer is making money.

Casting around for possible purchases of Du Pont's surplus nylon fibre production, analysts have come up with France's Rhône-Poulenc. The group has just linked with Snia of Italy to form a joint-venture which has about 15 per cent of the European continuous filament market and about 30 per cent of the European staple fibre market.

However, Rhône-Poulenc is in the middle of an asset disposal programme aimed at cutting borrowings by FFr3bn ($564m) this year. The group's target is to reduce its debt to equity ratio from 0.78 at the end of last year to close to 0.5 in 1993.

Other candidates include Germany's BASF. The group has substantial carpet fibre operations in the US, with four plants and an annual capacity of 100,000 tonnes a year. It has no production in Europe and might be interested in creating a global presence.

Akzo, the Dutch company, is another possibility. The group has limited nylon carpet capacity. However, Mr Syb Bergsma, a member of Akzo's management committee, said in August that its carpet operations were unprofitable. The company is reducing production and cutting 240 jobs. Analysts expect Akzo to pull out of the market, if it can find a buyer.

Small to medium-sized candidates include Beaulieu of Belgium, which has about 12 per cent of the continuous filament market, and Aquafil and Radicci, both of Italy, which respectively have 11 per cent and 9 per cent of the west European market.

Further potential buyers include actual carpetmakers. Mr Davies believes German carpet companies might group together to make a bid. This would free them from the threat of Du Pont's potentially dominant position.

However, the commission would need to be convinced of the need to sell to the carpet makers. Competition officials indicated last week that the capacity and related facilities should be sold to a single competitor, which ought to be a fibres manufacturer.

A further possibility is a management buy-out by former ICI fibres marketing employees, says Mr Davies. Their jobs would be most vulnerable in the event of rationalisation, he explains.

Outside the EC, the most likely is Allied Signal, one of the US's largest industrial groups. It already imports fibres equivalent to about 9 per cent of European filament market. And this summer it started a significant expansion of its industrial fibres operations with construction of a new $220m plant in France.

But some analysts believe it may prove difficult for Du Pont to find a buyer at all. The group has undertaken to make "best endeavours" to dispose of the 12,000 tonnes within 12 months of the completion of its deal with ICI. Analysts, however, are far from convinced anybody would want to expand their share of the market at the moment.

If Du Pont fails to find a buyer, the commission says it will extend the deadline. But the US group may end up with all of ICI's fibres capacity in spite of the best efforts of Sir Leon Brittan, the commission's vice-president, and his trust-busters.

All of these securities having been sold, this announcement appears as a matter of record only.

November, 1992
Concurrent Worldwide Offering

Life Re

10,610,000 Shares

Life Re Corporation

Common Stock
($.001 par value)

Price $22 Per Share

This portion of the offering was offered outside the United States and Canada by the undersigned.

2,122,000 Shares

Salomon Brothers International Limited
S.G. Warburg Securities
Donaldson, Lufkin & Jenrette Securities Corporation
Oppenheimer & Co., Inc.
Smith Barney, Harris Upham & Co. Incorporated
Banque Indosuez
Conning International Inc.
Crédit Lyonnais Securities
Credit Suisse First Boston Limited
Daiwa Europe Limited
Dresdner Bank AG
Merrill Lynch International Limited
Nomura International
N M Rothschild & Sons Limited
UBS Phillips & Drew Securities Limited

This portion of the offering was offered in the United States by the undersigned.

8,488,000 Shares

Salomon Brothers Inc
Donaldson, Lufkin & Jenrette Securities Corporation
Oppenheimer & Co., Inc.
Smith Barney, Harris Upham & Co. Incorporated
Bear, Stearns & Co. Inc.
The First Boston Corporation
Alex. Brown & Sons Incorporated
Dillon, Read & Co. Inc.
A.G. Edwards & Sons, Inc.
Kidder, Peabody & Co. Incorporated
Lazard Frères & Co.
Lehman Brothers
Merrill Lynch & Co.
Montgomery Securities
PaineWebber Incorporated
S.G. Warburg Securities
Wertheim Schroder & Co. Incorporated
Dean Witter Reynolds Inc.
William Blair & Company
Dain Bosworth Incorporated
Kemper Securities, Inc.
McDonald & Company Securities, Inc.
Piper Jaffray Inc.
Raymond James & Associates, Inc.
The Robinson-Humphrey Company, Inc.
Tucker Anthony Incorporated
Wheat First Butcher & Singer Capital Markets
Advest, Inc.
Arnhold and S. Bleichroeder, Inc.
Robert W. Baird & Co. Incorporated
George K. Baum & Company
Sanford C. Bernstein & Co., Inc.
Branch, Cabell and Company
The Chicago Corporation
Conning & Company
Cowen & Company
Crowell, Weedon & Co.
Fahnestock & Co. Inc.
First Albany Corporation
First Manhattan Co.
Fox-Pitt Kelton Inc.
Furman Selz Incorporated
Howard, Weil, Labouisse, Friedrichs Incorporated
Interstate/Johnson Lane Corporation
Janney Montgomery Scott Inc.
Johnston, Lemon & Co. Incorporated
Edward D. Jones & Co.
Ladenburg, Thalmann & Co. Inc.
Laidlaw Equities, Inc.
C.J. Lawrence Inc.
Morgan Keegan & Company, Inc.
Needham & Company, Inc.
The Ohio Company
Parker/Hunter Incorporated
Pennsylvania Merchant Group Ltd
Raffensperger, Hughes & Co. Incorporated
Ragen MacKenzie Incorporated
Rothschild Inc.
Seidler Amdec Securities Inc.
Smith, Moore & Co.
Southwest Securities, Inc.
Stifel, Nicolaus & Company Incorporated
Sutro & Co. Incorporated
Wedbush Morgan Securities

ALLIANCE + LEICESTER
Alliance & Leicester Building Society
£150,000,000
Floating Rate Notes due 1996

For the three months 30th October, 1992 to 29th January, 1993 the Notes will carry an interest rate of 7.6875% per annum with an interest amount of £95.83 per £5,000 and £1,916.61 per £100,000 Bond, payable on 29th January, 1993.

Listed on the Luxembourg Stock Exchange.

Bankers Trust Company, London
Agent Bank

HALIFAX
BUILDING SOCIETY
£250,000,000
Floating Rate Notes Due 1997

In accordance with the provisions of the Notes, notice is hereby given that, for the six month period 2nd November, 1992 to 4th May, 1993, the Notes will bear interest at the rate of 7.1041 per cent. per annum. Coupon No. 5 will therefore be payable on 4th May, 1993, at £1,780.89 per coupon from Notes of £50,000 nominal and £356.18 per coupon from Notes of £10,000 nominal.

S.G.Warburg & Co. Ltd.
Agent Bank

NOTICE
to the holders of outstanding
U.S. $30,000,000
1¼ per cent. Convertible Bonds Due 2002
of
GS
Goldstar Co., Ltd.
(the "Bonds" and the "Company" respectively)

NOTICE IS HEREBY GIVEN to the holders of the Bonds that, as a result of the issue by the Company 2,640,200 common stock of the Company described in the Notice given to the holders of the Bonds on 21st February, 1992, the existing Conversion Price per share of common stock of the Company has, pursuant to the provisions of the Trust Deed constituting the Bonds, been adjusted from W29,597 to W29,551 with effect from 5th June, 1992.

4th November, 1992
Goldstar Co., Ltd.

INTERNATIONAL CAPITAL MARKETS

US Treasuries regain ground in pre-poll calm

By Patrick Harverson in New York and Sara Webb in London

GOVERNMENT BONDS

US TREASURY prices yesterday regained ground lost on Monday as investors calmly awaited the outcome of the presidential election.

By midday, the benchmark 30-year government bond was up 11/32 at 95 11/32, yielding 7.62 per cent. The two-year note was also notably firmer at mid-session, up 1/16 at 99 29/32, yielding 4.38 per cent.

Traders said turnover was light as many participants sat out polling day. Although final opinion polls predicted a victory for Mr Bill Clinton, the market had already discounted a Democratic win.

There was no particular spark for the morning's gains. The day's only economic news – a 0.3 per cent decline in September leading indicators – was mildly positive for the market. The data suggested the economy is still moving sideways rather than forward, as would be expected at this stage of the economic cycle.

Uncertainty over the size of the next quarterly refunding programme – due to be announced later in the day – was a factor for the second consecutive session. Analysts expect the Treasury to increase the package to about $37bn, up from $36bn in August, to account for the government's greater borrowing needs.

■ UK government bonds ended firmer, helped by sterling's strength against the D-Mark in the foreign exchange markets and a slightly improved political background concerning the outcome of today's Maastricht debate.

The pound closed at DM2.42, from DM2.4030, lending a firmer tone to gilt prices. On the political front, fears that the government would be unable to muster a majority in the House of Commons today paving the way for a bill to ratify the Maastricht Treaty, are easing, dealers said.

The 11¾ per cent gilt due 2003/07 rose from Monday's close of 120 1/32 to trade at 120¼ by late afternoon.

■ German government bonds ended slightly firmer, but activity was subdued as market participants awaited the US presidential election result.

The Liffe bund futures contract opened at 91.33 and dipped to a low of 91.31 before recovering to end at around 91.47, the high of the day. Most of the interest was concentrated in the five-year sector of the market again, dealers said.

Dealers said the market shrugged off statements by Mr Helmut Schlesinger, Bundesbank president, who warned that further German rate cuts depended on slower money supply growth. He added that moves on German rates depended on further cuts in the budget deficit and on wage levels in the 1993 pay round.

■ Elsewhere in Europe, French government bonds strengthened, following Monday's quarter-point cut in the key interest rates. The Treasury is due to auction between FFr14bn and FFr16bn of government bonds tomorrow.

On the Matif futures exchange in Paris, the December bond futures contract closed at 110.60, up 0.16 from late on Friday. The yield on the 8½ per cent bond due 2002 was unchanged from Monday at 8.17 per cent.

The Treasury said it would offer FFr 14bn-16bn of tap stock at its regular monthly auction tomorrow when it plans to sell the 8½ per cent bond due 2003 and the 8½ per cent bond due 2008.

● New York's Commodity Exchange was today due to open its fledgling Eurotop 100 futures two hours earlier than usual, writes Laurie Morse in Chicago. Trading in the Pan-European index will commence at 5.30am EST, although the closing time of 4.15pm pm will not be altered.

The Comex, better known for its gold and silver futures contracts, opened futures trading on the Eurotop 100 on October 26 and volume so far has averaged just 1,000 contracts a day.

Mr David Halperin, Comex president, said the earlier trading hours were expected to maximise the overlap between the futures market and the period in which most of the underlying European stock markets were open.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	107.1868	+0.339	8.90	8.85	8.90
BELGIUM		8.750	06/02	104.0500	+0.270	8.12	8.14	8.53
CANADA *		8.500	04/02	105.1000	-0.250	7.73	7.68	7.89
DENMARK		9.000	11/00	100.9500	+0.400	8.83	8.78	9.61
FRANCE	BTAN	8.500	03/97	101.2485	-0.036	8.12	8.18	8.73
	OAT	8.500	11/02	102.2450	+0.080	8.15	8.21	8.53
GERMANY		8.000	07/02	104.2950	+0.150	7.36	7.35	7.38
ITALY		12.000	05/02	93.1500	-0.650	13.73†	13.89	14.18
JAPAN	No 119	4.800	06/99	100.9651	-	4.61	4.70	4.84
	No 145	5.500	03/02	105.3101	+0.033	4.68	4.75	4.80
NETHERLANDS		8.250	06/02	104.5200	+0.050	7.56	7.58	7.78
SPAIN		10.300	06/02	87.2000	+0.300	12.84	12.40	13.43
UK GILTS		10.000	11/96	109-21	-	7.19	7.10	8.52
		9.750	08/02	109-23	-	8.27	8.19	9.08
		9.000	10/08	102-10	-	8.73	8.75	9.39
US TREASURY *		6.375	08/02	96-20	+8/32	6.85	6.78	6.28
		7.250	08/22	95-11	+[illegible]/32	7.65	7.61	7.35
ECU (French Govt)		8.500	03/02	97.6500	-0.300	8.87	8.80	9.34

London closing, *denotes New York morning session Yields: Local market standard
† Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal Technical Data/ATLAS Price Sources

FT FIXED INTEREST INDICES

	Nov 3	Nov 2	Oct 30	Oct 29	Oct 28	Year ago	High *	Low *
Govt Secs	94.00	93.76	94.44	94.36	94.18	86.74	94.36	85.11
Fixed Interest	107.73	107.91	108.59	108.33	107.71	98.24	108.33	97.16

Basis 100: Government Securities 15/10/26; Fixed Interest 1928.
* for 1992. Government Securities high since compilation:127.40 (9/1/35), low 49.18 (6/1/75)
Fixed Interest high since compilation: 108.33 (29/10/92), low 50.53 (3/1/75)

GILT EDGED ACTIVITY

	Nov 2	Oct 30	Oct 29	Oct 28	Oct 27
Gilt Edged Bargains	250.9	268.7	253.0	235.5	206.8
5-Day average	238.9	232.8	216.1	197.9	191.4

Indices: SE activity 1974

‘Soft’ commission deals set to spill into Europe

By Richard Waters

SO-CALLED "soft" commission agreements, which have become increasingly commonplace in the equity market, are about to spill over into European bond markets following a recent ruling from regulators in London.

Investors have traditionally not paid commissions on bond trades. As a result, the development is likely to prompt concern among some fund managers' clients about whether their interests are being harmed.

Soft commissions arrangements involve brokers refunding part of the commissions they receive to a fund manager in the form of services.

Specific guidance on how these arrangements should work in fixed income markets was only given to certain brokers a fortnight ago by the Securities and Futures Authority, a self-regulatory organisation in London.

According to the SFA, brokers can issue contract notes to their fund manager clients showing a single net price, including the broker's own mark-up, or "commission". However, the broker must send a complete statement at least once a month detailing its own commissions, and this has to be shown to the fund manager's client.

Hoenig, part of the US soft commission group, and Thamesway, owned by BZW, have now both begun marketing soft commission services to bond investors. A third house, Tiedemann Investment Research, is understood to have been offering similar services in London for some time, though its president, Mr Nicholas Bullman, refused to comment yesterday.

Hoenig said that fund managers' clients would not be harmed by the development, since fund managers would only be able to deal if the soft commission broker offered a price which was at least as good, after adding in its own "commission", as that quoted by at least two other market-makers.

Thamesway said that the extra service provided by an independent broker would justify the "commission" involved.

"As bonds have been a principal market to date, it is very important to do – and be seen to do – a proper agency job," said Ms Karen Morgan Thomas of Thamesway.

French bonds see more rate cuts

By Sara Webb

THE Bank of France took the bond market by surprise with its decision to cut official interest rates on Monday.

However, given the stability of the French franc in the wake of the cuts, many bond market analysts believe there is scope for a further easing in French interest rates within the next few weeks, even without a simultaneous reduction in German rates by the Bundesbank.

Hopes of a further interest rate cut are expected to boost the French government bond market and economists are predicting a narrowing in the French-German yield spread over the next couple of months.

Last week, the Bank of France lowered its five-to-10 day repurchase rate to 10.5 per cent from 13 per cent. That reversed a rise in the middle of September, when the franc came under considerable speculative pressure. By lowering the rate to 10.5 per cent, the Bank of France was seen as signalling an end to the currency crisis.

Whereas the markets had expected the return of the five-to-10 day repurchase rate to its pre-crisis level, Monday's announcement – of a cut in the repurchase rate to 10.25 per cent and a quarter point cut in the intervention rate to 9.35 per cent – came as a surprise.

"The franc has held up extremely well since the cut," said Ms Maria Owens Thomsen, international economist at Midland Montagu.

The franc traded at 3.3880/83 to the D-Mark yesterday, and Ms Owens Thomsen predicts it will appreciate further to reach 3.37 by the end of the year.

She believes the Bank of France is allowing call money rates, currently at 9.5 per cent, to slip lower, testing the franc's ability to hold up in the foreign exchange markets and making room for a small cut in official interest rates.

"If the central bank allows market interest rates to fall and the franc holds up, we could see another cut in the official interest rates," she said.

However, such a cut is likely to be limited to about 25 basis points, said Mr George Magnus, international economist at S.G. Warburg Securities – though if the Bundesbank cuts its key interest rates soon, the Bank of France would have scope for a bigger easing.

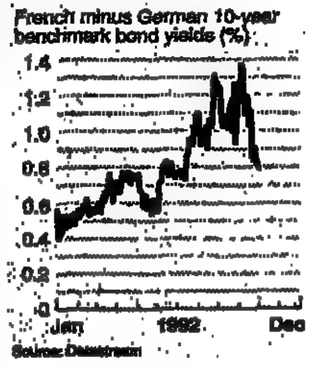
Mr Adrian James, economist at NatWest Capital Markets, predicts the 10-year French-German yield spread will fall from the current 79 basis points to 50 basis points over the next 12 months, given the strong economic fundamentals in France.

Inflation at 2.6 per cent is well below German levels, and economic growth of 2 per cent is forecast for this year.

While political concerns are likely to come to the fore in the run-up to the general election next March, the immediate prospects for the bond market appear favourable.

Yield spread

French minus German 10-year benchmark bond yields (%)



Source: Datastream

Rumours surface of jumbo Swedish issue

By Brian Bollen

INTERNATIONAL BONDS

RUMOURS about a further jumbo borrowing by the Kingdom of Sweden, this time in US dollars, dominated the international bond market yesterday.

The talk is that the next stage of the country's borrowing programme could be for up to $2bn over five years under a global programme, at a spread of between 50 and 60 basis points over comparable US Treasury bonds.

"It's a question of when rather than if," said one banker. "But you could say the same of several sovereigns."

Rarity was a key word among the new issues which emerged. The quality-sensitive Swiss market is pausing to catch its breath after the recent volume of paper, particularly in private placements, but quality remains in demand.

Lead-manager UBS described BMW Finance, which is raising SFr150m through an eight-year public issue, as an attractive name with scarcity value with particular appeal to retail investors. Other banks said the issue was more aggressively priced than the quality merits, although the rarity value helped it trade within fees in the grey market.

Also described as having rarity value was the Fl 300m eight-year issue from Akzo, the Dutch chemicals and pharmaceuticals company, which has been absent from the market for several years. Led by Rabobank Nederland, the first Euro-style guilders issue for almost a month was rapidly increased from Fl 250m at launch, reflecting a general shortage of longer term new issue paper.

Some traders were slightly surprised at the DM100m 10-year reverse floating-rate note for Deutsche Genossenschafts Hypothekenbank. They would expect such transactions to be for smaller amounts and to be done privately rather than publicly because they are normally targetted to specific investors. The interest rate will be fixed at 10 per cent for the first two years, and thereafter at 21 per cent minus twice six-month Libor.

● High interest rates, exchange controls and EMS turmoil are among obstacles hindering significant expansion of the Spanish fixed income market, though it shows promise, Standard & Poor's writes in its weekly newsletter, Reuter reports.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
D-MARKS						
DG Hypothekenbank(a)‡	100	(a)	101.25	2002	-	DG Bank
GUILDERS						
AKZO	300	8	100.70	2002	1/⅝%	Rabobank Nederland
SWISS FRANCS						
BMW Finance	150	6.25	102.125	2000	-	UBS

Final terms and non-callable unless stated. ‡Floating rate note. a) Coupon pays 10% fixed for first two years and 21% - 2 × 6-month Libor thereafter.

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on November 3

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABN 9 1/8 94	200	106¼	107¼	-⅛	5.25
ALBERTA PROVINCE 9 3/8 95	600	109⅝	110⅛		5.68
AUSTRIA 8 1/2 00	400	107⅝	108⅛	-⅛	7.11
BANK OF TOKYO 8 3/8 96	100	106⅛	106⅝	-⅛	6.30
BELGIUM 9 5/8 98	250	113¼	113¾	-⅛	6.73
BFCE 7 3/4 97	150	105¼	105¾	-⅛	6.31
BHP 8 5/8 94	300	106	106½	-⅛	4.94
BRITISH GAS 8 3/8 99	350	105¾	106¼		7.27
CANADA 9 96	1000	109¼	109¾	-⅛	5.79
CCCE 9 1/4 95	300	108⅝	109		5.20
CIA NAVIERA PEREZ 9 96	100	98⅞	99⅝		9.55
COUNCIL EUROPE 8 96	100	106	106½	-⅛	6.15
CREDIT FONCIER 9 1/2 99	300	113	113½		6.88
DENMARK 8 1/4 94	150	105½	106	-⅛	4.94
DENMARK 9 1/4 95	1571	108⅝	109		5.28
ECSC 8 1/4 96	193	107	107½	-⅛	6.25
EEC 8 1/4 96	100	107	107½	-⅛	6.05
EIB 7 3/4 96	250	105⅞	106⅛	-⅛	6.02
EIB 9 1/4 97	1000	111⅞	112⅛		6.41
ELEC DE FRANCE 9 98	200	110½	111		6.60
EURO CRED CARD TST 9 94	395	104⅞	105⅜	-⅛	6.33
EUROFIMA 9 1/4 96	100	109½	110⅛	-⅛	6.02
EXPORT DEV CORP 9 1/2 98	150	112⅜	112¾	-⅛	6.79
FINLAND 7 7/8 97	200	104	104⅜	-⅛	6.75
FINNISH EXPORT 9 3/8 95	200	109⅛	109⅝	-⅛	5.94
FORD CAPITAL 9 3/4 97	250	108⅞	109⅜	-⅛	7.41
GEN ELEC CAPITAL 9 3/8 96	300	109⅞	110⅛	-⅛	6.24
GMAC 9 1/8 96	300	105½	106⅛	-⅛	7.20
GUINNESS FINANCE 8 94	200	104⅝	105		5.05
IBM INTL FIN 7 3/4 94	200	104⅛	104½		4.72
IND BK JAPAN FIN 7 7/8 97	200	104⅛	104⅞	-⅛	6.72
INTER AMER DEV 7 5/8 96	200	105⅛	105¾	+⅛	6.05
ITALY 8 1/2 94	1500	106⅛	106⅝	-⅛	3.17
JAPAN DEV BK 8 94	150	104⅜	[illegible]		4.63
KANSAI ELEC PWR 10 98	350	111⅞	111¾		6.17
LTCB FIN 8 97	200	104⅛	105⅛		6.66
NEW ZEALAND 9 94	850	106⅞	107¼	+⅛	4.95
NIPPON CRED BK 10 3/8 95	150	109⅞	110⅛		6.28
NIPPON TEL & TEL 9 3/8 95	200	108⅝	[illegible]	+⅛	5.32
ONTARIO 8 1/2 01	600	105⅛	105⅞	-⅛	7.61
ONTARIO HYDRO 11 5/8 94	200	108⅛	108⅝	-⅛	4.81
OSTER KONTROLLBANK 8 1/2 01	200	107⅛	107⅝	-⅛	7.32
PETRO-CANADA 7 1/4 96	200	103⅞	104⅜	+⅛	6.02
QUEBEC HYDRO 9 3/4 98	150	111⅝	112⅛	-⅛	7.25
QUEBEC PROV 9 98	200	107⅞	108⅜	-⅛	7.18
SAINSBURY 9 1/8 96	150	108⅞	109⅛	-⅛	6.59
SAS 10 99	200	108⅞	109⅜	-⅛	8.28
SBAB 9 1/2 95	500	108⅛	109⅛	-⅛	5.82
SNCF 9 1/2 98	150	113	113½		6.68
STATE BK NSW 8 1/2 96	200	106½	107⅛	-⅛	6.43
SWEDISH EXPORT 8 3/8 96	700	106⅞	107⅛		6.12
TOKYO ELEC POWER 8 3/4 96	300	108⅜	108⅞	+⅛	6.20
TOKYO METROPOLIS 8 1/4 96	200	107⅛	107⅝		6.15
WORLD BANK 8 3/8 99	1500	108⅝	109	-⅛	6.90
WORLD BANK 8 3/4 97	1500	110⅛	110⅝		6.08
XEROX CORPN 8 3/8 96	100	105⅞	106⅛	-⅛	6.75
DEUTSCHE MARK STRAIGHTS					
ABN AMRO 8 1/2 96	500	104½			7.17
AUSTRIA 5 7/8 97	500	95	95½	-⅛	7.24
BELGIUM 7 3/4 02	500	101¼	102		7.47
BNP 8 1/4 01	200	105	105½	+⅛	7.47
DEUTSCHE FINANCE 7 1/2 95	1000	101	101¼	+⅛	6.98
EIB 7 1/2 99	400	101⅛	101⅝		7.24
EUROFIMA 8 3/4 96	400	105	105½		7.23
FINLAND 8 1/4 02	2000	102	102¼	+⅛	7.93
GENERAL ELECTRIC 8 3/4 95	300	103⅛	103⅝	+⅛	7.39
INTER AMER DEV 9 00	300	108⅞	109⅛		7.52
IRELAND 6 1/2 97	300	96⅛	96¾		7.53
JAPAN DEV BK 5 3/8 95	300	94⅞			7.76
NAT BK HUNGARY 10 3/4 98	500	102⅝	103¼	+1	10.14
NORTH EAST FIN JAP 8.40 99	200	104⅞	105⅛	-⅛	7.45
TURKEY 10 3/4 96	500	102⅜	102⅞	+⅛	10.00
VOLKSWAGEN COM 8 5/8 97	400	103⅛	103⅝	-⅛	7.74
WORLD BANK 0 15	2000	23	23½	-⅛	6.56
WORLD BANK 5 3/4 96	300	95⅛	95⅝	+⅛	7.33
WORLD BANK 8 3/4 00	1250	108⅛	108⅝	-⅛	7.29
SWISS FRANC STRAIGHTS					
ASIAN DEV BANK 6 10	100	96½	97	+⅛	6.33
COUNCIL EUROPE 4 3/4 98	250	94⅛	94½	+½	6.05
EIB 6 3/4 04	300	103	103¼		6.38
ELEC DE FRANCE 7 1/4 06	100	106	107		6.55
FINLAND 7 1/4 99	300	105¼	105¾	-⅛	6.31
GENERAL MOTORS 7 1/2 95	100	100¾	101½	+⅛	7.12
HYUNDAI MOTOR FIN 8 1/2 97	100	104½	105½	-½	7.35
ICELAND 7 5/8 00	100	103¼	104		6.97
JAPAN DEV BK 5 1/2 94	100	99	99½	-⅛	6.32
KOBE 6 3/8 01	240	101¼	102¼		6.10
NEW ZEALAND 4 7/8 99	200	92¼	94	+⅛	6.41
QUEBEC HYDRO 5 08	100	79	80		7.31
SNCF 7 04	450	104⅛	104⅝	-⅛	6.48
WORLD BANK 5 03	150	93½	94	+⅛	5.83
WORLD BANK 7 01	600	105	105½		6.21
YEN STRAIGHTS					
AUSTRIA 4 3/4 94	30000	100⅞	101⅛		[illegible]
CREDIT FONCIER 5 1/4 94	[illegible]	102⅛	102⅝		[illegible]
DENMARK 7 95	40000	105⅝	106⅛		4.19
EIB 4 5/8 94	40000	101⅛	101⅝		3.66
ELEC DE FRANCE 5 5/8 96	20000	104⅛	[illegible]		4.43
FINLAND 6 3/4 96	50000	106	106¼		4.70
INTER AMER DEV 7 1/4 00	30000	112	112⅝	+⅛	5.27
KANSAI ELEC PWR 4 5/8 94	60000	100⅝	101		4.08
NIPPON TEL & TEL 5 7/8 96	50000	104⅛	104⅝		4.62
NORWAY 5 1/8 95	50000	102⅛	102⅝	+⅛	4.17
SNCF 6 3/4 00	30000	109½	109¾		5.15
SWEDEN 5 5/8 95	20000	103⅛	103⅝		4.36
WORLD BANK 6 3/4 00	50000	109⅝	110¼	+⅛	5.10

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ARBED 7 1/2 95 LFr	600	96¼	97¼		9.10
ECSC 7 3/4 94 LFr	1000	99¼	100¼		8.21
WORLD BANK 8 96 LFr	1000	99¾	100¾		8.06
ENERGIE BEHEER 8 3/4 98 Fl	300	105⅜	106	-⅛	7.35
UNILEVER 9 00 Fl	500	108½	109	+⅛	7.49
ALBERTA PROVINCE 10 5/8 96 C$	500	109⅛	109⅝	-⅛	7.32
BELL CANADA 10 5/8 99 C$	150	110½	111⅛	-⅛	8.49
BRITISH COLUMBIA 10 96 C$	500	107⅝	108	-⅛	7.47
EIB 10 1/8 98 C$	130	109⅝	110⅛	-⅛	7.92
ELEC DE FRANCE 9 3/4 99 C$	275	108	108⅝	-⅛	8.17
FORD CREDIT CANADA 10 94 C$	100	103⅝	104⅛	-⅛	7.54
GEN ELEC CAPITAL 10 96 C$	300	106⅞	107⅜	-⅛	7.71
KFW INT FIN 10 01 C$	400	108⅞	109⅛	-⅛	8.50
NIPPON TEL & TEL 10 1/4 99 C$	200	109⅛	110⅛	-⅛	8.34
ONTARIO HYDRO 10 7/8 99 C$	500	112⅛	112⅝	-⅛	8.31
OSTER KONTROLLBANK 10 1/4 99 C$	150	110⅛	111	-⅛	8.19
QUEBEC PROV 10 1/2 98 C$	200	109⅞	110⅜	-⅛	8.38
BELGIUM 9 1/8 96 Ecu	1250	101⅛	101⅝		8.69
CREDIT LYONNAIS 9 96 Ecu	125	98⅞	99⅜	-⅛	9.53
DENMARK 7 5/8 96 Ecu	250	94⅞	95⅜	-⅛	9.48
EEC 7 5/8 94 Ecu	200	97⅛	97⅝	-⅛	10.01
EIB 10 97 Ecu	1125	104⅛	104⅝		8.71
FERRO DEL STAT 10 1/8 98 Ecu	500	102⅝	103⅛	-⅛	9.44
ITALY 10 3/4 00 Ecu	1000	105⅞	106⅛		9.59
UNITED KINGDOM 9 1/8 01 Ecu	2750	101½	101¾	-⅛	8.85
AIDC 10 99 AS	100	103⅛	103⅝		9.30
BP AMERICA 12 1/4 96 AS	100	109	109½	-⅛	8.97
COMM BK AUSTRALIA 13 3/4 99 AS	100	120⅞	121⅛		9.49
EKSPORTFINANS 12 3/8 95 AS	75	108⅛	108⅝	-⅛	8.57
EUROFIMA 14 5/8 94 AS	75	109⅝	110⅛	-⅛	7.66
MCDONALDS CANADA 15 95 AS	100	114⅛	114⅝		8.74
NAT AUSTRALIA BANK 14 3/4 94 AS	150	108⅛	108⅝	-⅛	7.66
UNILEVER AUSTRALIA 12 98 AS	150	110⅛	111⅛	-⅛	9.35
VOLKSWAGEN INTL 15 94 AS	100	109⅛	109⅝		7.88
ABBEY NATL TREAS 13 3/8 95 £	100	112	112½		7.49
ALLIANCE & LEICS 11 3/8 97 £	100	111⅛	112⅛	+⅛	8.13
BRITISH GAS 12 3/4 95 £	300	110⅞	111⅛	+⅛	7.40
BRITISH LAND 12 1/2 16 £	150	99⅞	100⅜	-⅛	12.96
DEUTSCHE BK FIN 11 94 £	225	104⅛	104⅝	+⅛	7.16
EIB 10 97 £	636.5	108⅞	109⅛	+⅛	7.50
HSBC HOLDINGS 11.69 02 £	152.724	110	110½	+⅛	10.02
ITALY 10 1/2 14 £	400	102½	102¾	+⅛	10.19
LAND SECS 9 1/2 07 £	300	93½	93¾	+⅛	10.37
NORWAY 10 1/2 94 £	200	103⅞	104⅛	+⅛	7.16
ONTARIO 11 1/8 01 £	100	113	113½		8.83
SEVERN TRENT 11 1/2 99 £	150	113½	113⅞		8.75
SKANDINAVISKA ENSK 13 1/8 95 £	100	107⅞	108⅛	-⅛	9.14
TOKYO ELEC POWER 11 01 £	150	[illegible]	113⅛		8.69
WORLD BANK 11 1/4 95 £	100	108⅛	[illegible]	+⅛	7.30
TCNZ FIN 9 1/4 02 NZ$	75	105⅛	106⅛		8.40
WORLD BANK 14 94 NZ$	75	107⅞	108⅛	-⅛	7.30
CEPME 10 95 FFr	2000	103⅝	104	+⅛	8.38
ELF-AQUITAINE 9 99 FFr	600	102½	103	+⅛	8.49
SNCF 9 1/4 97 FFr	4000	103⅝	104	+⅛	8.22

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
ALLIANCE & LEICS 0.08 94 £	300	99.68	99.79	8.0800
BANCO ROMA 99	200	99.08	99.39	3.2813
BELGIUM 1/16 97 DM	500	100.08	100.21	9.9375
BFCE -0.02 96	350	99.92	100.08	3.9175
BNP 05	300	99.67	100.25	5.2500
BRITANNIA 1/10 96 £	150	99.23	99.40	8.1000
CCCE 06 ECU	200	98.94	99.57	11.1719
CITIZENS FED 0 15 96	100	99.45	99.88	5.0000
CREDIT FONCIER -1/16 98	200	100.39	100.58	5.0000
DENMARK -1/8 96	1000	99.35	99.50	3.4063
DRESDNER FINANCE 1/32 98 DM	1000	99.87	99.98	8.9063
ELEC DE FRANCE 1/8 99	400	102.00	102.63	5.2500
FERRO DEL STAT 94	200	99.90	100.46	3.6250
HALIFAX 1/10 94 £	200	99.92	100.02	10.3500
IRELAND 98	300	99.60	99.75	4.1000
ITALY 00	500	100.28	100.72	4.0625
LEEDS PERMANENT 1/8 96 £	200	99.57	99.69	9.5313
LLOYDS BANK 1/10 PERP S 3	600	76.00	77.75	3.7250
MITSUI FIN ASIA 1/8 96	100	100.02	100.24	5.2500
NAT WEST FIN 3/16 05	400	91.53	92.90	3.8675
NEW ZEALAND 1/8 96	250	99.98	100.18	4.1880
RENFE 98	500	99.56	99.79	[illegible]
SOCIETE GENERALE 96	300	99.40	99.61	3.1875
STATE BK VICTORIA 0.05 99	125	98.86	99.13	4.1281
UNITED KINGDOM -1/8 96	4000	99.91	99.99	3.0000
YORKSHIRE BS 1/10 94 £	165	99.75	99.83	10.3500

CONVERTIBLE BONDS	Issued	Conv. price	Bid	Offer	Prem.
BURTON GROUP 4 3/4 01 £	110	2.38	134½	136½	
CHUBB CAPITAL 6 98	250	86	117¾	119¾	+16.36
EASTMAN KODAK 6 3/8 01	300	50.67	103⅞	105¼	+27.06
GOLD KALGOORLIE 7 1/2 00	65	1.0564	92½	93½	+56.23
HANSON 9 1/2 06 £	500	2.5875	108⅞	109¾	+21.66
HAWLEY 6 02 PREF	400	19.1	112¼	114	
HILLSDOWN 4 1/2 02 £	150	3.97	124¼	125	
LAND SECS 6 3/4 02 £	84	6.72	84¼	85¼	+39.45
LASMO 7 3/4 05 £	90	5.64	80	81	
MITSUI BANK 2 5/8 03	200	2332.6	65⅞	67¼	+27.51
MOUNT ISA FIN 6 1/2 97	100	2.283	96⅛	97⅛	+22.36
OGDEN 6 02	85	39.077	85⅛	87	+69.50
SEGA ENTERPRISES 3 1/2 96	200	19018	103½	104⅞	+45.96
SMITH & NEPHEW 4 02 £	90	1.775	129¼	130¼	+46.59
SUMITOMO BANK 3 1/8 04	300	3606.9	66⅛	67⅛	+33.99
TEXAS INSTRUMENTS 2 3/4 02	300	82⅞	94½	96⅛	+58.62
THORN EMI 5 3/4 04 £	103	7.16	127⅛	128⅛	+11.11

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day = Change on day.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread = Margin above six-month offered rate (‡three-month §above mean rate) for US dollars. C.cpn = The current coupon.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares

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RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	68	1	9
Other Fixed Interest	3	0	12
Commercial, Industrial	376	149	896
Financial & Property	276	71	457
Oil & Gas	17	9	59
Plantations	2	2	5
Mines	39	34	74
Others	68	13	38
Totals	849	279	1,550

LONDON RECENT ISSUES

EQUITIES

Issue Price	Am'nt Paid up	Latest Renunc Date	1992 High	1992 Low	Stock	Closing Price	+or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
100	F.P.	-	100	98	Beta Global Emrg Mkts C.	98		-	-	-	-
§	F.P.	-	201	180	Chubb Security	191	+2	L2.8	2.9	2.0	21.1
165	F.P.	-	213	193	Dorling Kindersley	210	-1	L3.0	2.6	1.9	20.1
-	F.P.	-	103	100	For. & Col. PEP Inv Tst	102		F3.38	-	4.4	-
-	F.P.	-	33	31	Jos Hldgs Cap	32		-	-	-	-
-	F.P.	-	92	90	Do. Inc.	91		F11.5	-	16.8	-
-	F.P.	-	105	101	Do. Zero Div. Pf.	105¼	+1¼	-	-	-	-
130	F.P.	-	158	140	Linx Printing Techs.	148		L2.6	2.6	2.3	17.6
120	F.P.	-	192	157	‡Tepnel Diagnostics	171		-	-	-	-
120	F.P.	-	137	126	Trinity	134		R5.4	1.9	5.5	12.6
95	F.P.	-	51	47	Vardon	49		W0.75	3.3	2.0	12.3
165	F.P.	-	172	167	Wetherspoon (J.D.)	168		W4.8	2.6	3.8	13.6

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1992 High	1992 Low	Stock	Closing Price £	+ or -
100p	F.P.	-	105¼p	104½p	Bristol Water 8¼pc Pf.	105¼p	
100p	F.P.	-	111½p	105¼p	Fulcrum Inv Tst Zero Div Pf	111½p	+½
100	F.P.	-	106½	104¾	NFC 7¾pc Cv. Bd. 2007	106½	+⅛

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1992 High	1992 Low	Stock	Closing Price p	+ or -
78	Nil	10/11	1½pm	1¼pm	Capital Inds.	1¼pm	
295	Nil	1/12	45pm	27pm	Greenalls	42pm	+7
150	Nil	-	80pm	68pm	‡Haemocell	68pm	-1
25	Nil	1/3	6pm	5pm	Property Trust	6pm	
335	Nil	22/12	52pm	9pm	Wagon Indl.	9pm	

a Annualised dividend. b Figures based on prospectus estimates. g Assumed dividend and yield. u Earnings based on preliminary figures. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. x Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1993. L Estimated annualised dividend, cover and p/e based on latest annual earnings. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Issued by way of capitalisation. † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ‡ Issued in connection with reorganisation, merger or takeover. pm Price at a premium

TRADITIONAL OPTIONS

- First Dealings Oct 26
- Last Dealings Nov 6
- Last Declarations Jan 28
- For settlement Feb 8

3-month call rate indications are shown in Saturday editions.

Calls in: Brit. Steel, Gestetner, Hanson Wts., Tarmac and Lovell (Y.J.). Put in: Ratners.

FT-SE ACTUARIES INDICES

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LIFFE EQUITY OPTIONS

Option		Calls Jan	Calls Apr	Calls Jul	Puts Jan	Puts Apr	Puts Jul
Alld Lyons	600	52	63	74	17	27	38
(*636)	650	24	37	47	42	50	67
ASDA	40	7	8	9	4½	6	8
(*43)	45	4	6	7	8	7½	10
Brit. Airways	280	25	33	38	15	19	27
(*290)	300	16	23	30	25	29	37
SmKl Bchm A	500	57	66	79	11	17	22
(*539)	550	24	36	50	31	38	44
Boots	460	42	55	60	12	18	25
(*489)	500	19	31	40	30	36	44
B.P.	220	21	26	30	8	12	15
(*232)	240	10	15	21	19	22	25
British Steel	45	8	10	12	4	5½	7
(*49)	50	5½	7½	9	7	8½	10
Bass	550	38	48	60	25	33	41
(*571)	600	15	27	40	57	62	69
C & Wire	600	50	65	77	17	28	35
(*631)	650	23	37	50	42	52	61
Courtaulds	500	32	48	60	27	35	45
(*505)	550	13	26	38	60	65	75
Comm. Union	550	41	51	61	19	28	42
(*562)	600	16	27	39	49	64	70
Fisons	220	29	36	42	24	32	40
(*225)	240	18	28	34	37	48	[illegible]
GKN	390	27	32	37	17	28	33
(*394)	420	13	19	24	33	45	49
Grand Met.	390	42	48	60	12	17	22
(*419)	420	24	32	44	25	31	36
I.C.I.	1050	64	82	98	37	49	77
(*1060)	1100	40	55	74	64	100	108
Kingfisher	500	44	56	64	18	21	33
(*522)	550	22	33	40	42	48	57
Ladbroke	160	21	30	31	11	18	24
(*168)	180	11	21	24	22	28	33
Land Secur	390	38	42	46	10	13	23
(*414)	420	15	24	30	24	28	39
M & S	300	31	38	42	7	11	16
(*318)	330	13	23	28	20	24	31
Sainsbury	500	28	39	50	24	26	35
(*504)	550	10	18	27	58	56	61
Shell Trans.	500	54	57	67	5½	13	16
(*540)	550	22	25½	36	24	36	38
Storehouse	160	13	18	23	9½	14	17
(*164)	180	6	10	16	22	25	28
Trafalgar	80	12	17	20	8	10	13
(*84)	90	7	10½	16	13	16	19
Utd. Biscuits	330	25	34	38	12	21	25
(*337)	360	12	17	24	30	40	43
Unilever	1100	48	67	84	35	43	56
(*1109)	1150	25	44	59	65	71	85
Option		**Nov**	**Feb**	**May**	**Nov**	**Feb**	**May**
Brit Aero	130	26	37	42	6½	16	24
(*149)	140	19	30	34	10	20	27
	160	7½	22	28	24	33	42

Option		Calls Nov	Calls Feb	Calls May	Puts Nov	Puts Feb	Puts May
BAA	750	22	47	65	20	36	45
(*754)	800	5	26	43	57	67	75
BAT Inds	900	26	60	67	19	42	63
(*905)	950	8	35	46	57	70	92
BTR	460	40	51	55	2½	10	17
(*496)	500	12	27	31	14	27	36
Brit. Telecom	360	23	32	38	4	12½	16
(*379)	390	6	16	23	16	27	30
Cadbury Sch	420	40	52	56	5	9	17
(*452)	460	12	27	32	15	26	35
Eastern Elec	370	22	34	41	5½	19	23
(*385)	400	5½	19	28	20	33	39
Guinness	500	47	64	74	5	14	23
(*538)	550	12	33	45	23	35	45
GEC	240	12½	19	25	3½	8	12
(*248)	260	3	9	15½	14	20	23
Hanson	220	14	20	23	2½	8	12
(*232)	240	3½	9	13	10	17	21
LASMO	180	13	25	31	9	18	27
(*185)	200	5	17	22	22	31	39
Lucas Inds	110	12	21	26	6	13	17
(*116)	120	7½	16	21	12	18	23
P. & O.	460	21	43	50	[illegible]	[illegible]	[illegible]
(*463)	500	6½	24	36	5	14	18
Pilkington	80	11	15	21	4	10	13
(*85)	90	5	11	15	10	14	19
Prudential	260	20	29	33	3	8	16
(*275)	280	7	10	22	10	16	23
R.T.Z.	600	44	68	75	5	17	28
(*637)	650	13	36	46	34	38	52
[illegible]	420	18	29	38	8	21	24
(*433)	460	3½	13	21	35	45	49
Tesco	220	13	22	26	6	11	14
(*225)	240	4	12	15	16	19	24
Thames Wtr	460	29	38	47	5½	14	18
(*484)	500	5½	17	27	27	38	38
Vodafone	360	23	36	46	6½	19	24
(*374)	390	7	29	31	22	36	41
Option		**Dec**	**Mar**	**Jun**	**Dec**	**Mar**	**Jun**
Abbey Nat.	330	30	39	41	6	13	18
(*351)	360	12	23	24	20	30	32
Amstrad	25	5	6½	7	2½	3	3
(*28)	30	2	3	4½	5	6	6
Barclays	330	18	34	37	15	28	31
(*340)	360	11	19	24	34	46	50
Blue Circle	160	24	34	37	8½	17	24
(*172)	180	14	24	28	20	29	36
British Gas	260	23	31	33	4	7	12
(*276)	280	9	18	21	12	16	22
Dixons	220	14	24	29	13	20	23
(*221)	240	6	15	21	25	31	34
Eurotunnel	330	45	60	72	10	21	28
(*359)	360	26	42	56	23	33	43

Option		Calls Dec	Calls Mar	Calls Jun	Puts Dec	Puts Mar	Puts Jun
Glaxo	800	65	90	107	20	42	50
(*835)	850	34	63	82	43	65	75
Hillsdown	100	12	21	24	8	12½	20
(*102)	110	8	16	20	14	20	25
Lonrho	60	11	14	16	4	8	9½
(*66)	70	6	9	11	9½	13	15
HSBC 75p shs	500	46	68	71	12	24	33
(*529)	550	19	39	47	36	45	58
Natl Power	260	12	20	27	11½	17	21
(*261)	280	5	11	18	42	45	46
Reuters	1150	78	120	137	32	55	77
(*1189)	1200	50	93	113	57	79	102
R. Royce	130	8	11½	15	7	12	13½
(*130)	140	3½	7½	9	12½	18½	19½
Scot Power	200	10	14	17½	5½	9	11½
(*204)	220	2½	5½	9½	17½	[illegible]	23
Sears	90	5	10	13	5	8	11
(*91)	100	3	6	8	13	16	17
Forte	160	21	29	32	10	15	23
(*169)	180	9	20	23	21	26	34
Thorn EMI	800	40	60	77	19	32	40
(*823)	850	17	34	52	50	60	69
TSB	130	12	15	18	4½	8½	10
(*136)	140	6½	10	14	8½	14	15
Vaal Reefs	25	6	7	7	1½	3	3½
(*$29)	30	2½	3½	4½	3½	6	6
Wellcome	950	77	118	132	24	47	60
(*994)	1000	47	85	107	45	68	82

EURO FT-SE INDEX (*2705)

	2525	2575	2625	2675	2725	2775	2825	2875
CALLS								
Nov	197	152	110	72	43	21	9	-
Dec	233	190	150	115	82	60	40	23
Jan	252	-	172	-	106	-	60	-
Mar	284	-	210	-	145	-	97	-
Jun	-	-	-	-	175	-	115	-
Sep	-	-	-	-	215	-	155	-
PUTS								
Nov	7	12	18	30	50	80	118	-
Dec	23	28	35	50	70	90	120	154
Jan	30	-	50	-	85	-	138	-
Mar	50	-	80	-	120	-	162	-
Jun	-	-	100	-	-	-	190	-
Sep	-	-	-	-	-	-	205	-

FT-SE INDEX (*2705)

	2500	2550	2600	2650	2700	2750	2800	2850
CALLS								
Nov	227	178	134	92	55	31	16	-
Dec	256	212	171	134	100	73	48	32
Jan	272	231	193	156	124	97	75	-
Feb	287	246	209	178	145	118	93	-
Jun †	332	-	255	-	180	-	135	-
PUTS								
Nov	6	9	14	23	40	66	103	-
Dec	17	23	32	46	65	88	118	156
Jan	27	35	47	62	85	105	135	-
Feb	38	46	60	75	95	118	147	-
Jun †	65	-	100	-	140	-	190	-

November 3 Total Contracts 25,316
Calls 15,228 Puts 10,088
FT-SE Index Calls 3,322 Puts 3,805
Euro FT-SE Calls 592 Puts 327
*Underlying security price. † Long dated expiry mths
Premiums shown are based on closing offer prices.

FT-ACTUARIES FIXED INTEREST INDICES

PRICE INDICES

		Tue Nov 3	Day's change %	Mon Nov 2	Accrued interest	xd adj. 1992 to date
	British Government					
1	Up to 5 years (22)	128.29	+0.15	128.09	1.60	10.99
2	5-15 years (25)	145.82	+0.25	145.46	1.80	11.85
3	Over 15 years (8)	152.04	+0.23	151.69	2.63	9.97
4	Irredeemables (6)	167.77	+0.19	167.46	0.14	13.45
5	All stocks (61)	142.17	+0.21	141.87	1.83	11.57
	Index-Linked					
6	Up to 5 years (2)	183.62	+0.04	183.55	0.36	3.68
7	Over 5 years (10)	167.88	+0.04	167.80	0.90	4.04
8	All stocks (12)	168.81	+0.04	168.73	0.82	3.96
9	Debs & Loans (62)	121.86	-0.15	122.04	1.95	10.48

	AVERAGE GROSS REDEMPTION YIELDS		Tue Nov 3	Mon Nov 2	Year ago (approx.)
	British Government				
1	Low	5 years	7.00	7.04	8.65
2	Coupons	15 years	8.28	8.31	9.55
3	(0%-7¾%)	20 years	8.57	8.60	9.55
4	Medium	5 years	7.35	7.40	9.77
5	Coupons	15 years	8.66	8.68	9.69
6	(8%-10¾%)	20 years	8.90	8.93	9.65
7	High	5 years	7.62	7.66	9.99
8	Coupons	15 years	8.96	9.01	9.78
9	(11%-)	20 years	9.08	9.13	9.70
10	Irredeemables	†	9.08	9.01	9.74
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	2.39	2.40	3.66
12	Inflation rate 5%	Over 5 yrs.	3.72	3.72	4.24
13	Inflation rate 10%	Up to 5 yrs.	1.62	1.62	3.25
14	Inflation rate 10%	Over 5 yrs.	3.54	3.55	4.07
15	Debs &	5 years	9.09	8.80	11.43
16	Loans	15 years	9.94	9.95	11.22
17		25 years	10.17	10.15	11.03

† Flat yield

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TIP Europe up 26% as interest charges fall

By Angus Foster

TIP EUROPE, the trailer rental company which was forced to refinance last year after breaching banking covenants, yesterday reported a 26 per cent profits increase thanks to lower interest charges and higher rental rates.

Pre-tax profits increased from £6.01m to £7.54m in the year to July 31 while turnover rose 3.3 per cent to £106.5m. At the interim stage profits rose 51 per cent to £3.72m.

Mr Jim Davis, chairman, said the results showed "steady progress". He added: "We're feeling much better than we did this time last year."

Interest costs fell more than £2m to £14m as last year's £29m rights issue repaid debt. Net borrowings fell from £149.6m to £118.4m, taking gearing from 3.53 times to 1.62 times enlarged shareholders funds. Interest cover improved from 1.37 times to 1.54 times.

Operating profits fell from £23.8m to £22.1m because of slower growth in continental markets, especially Germany. Benelux failed to recover from a bad first quarter while profits in Denmark were wiped out by losses in Finland and Sweden.

The average fleet was reduced by over 1,000 units to 17,900 to reflect lower demand. This helped maintain utilisation rates close to 75 per cent, while the company achieved price rises of 7 per cent. In the UK, rates increased 10 per cent to £11.83 a day.

In the general leasing division, falling used vehicle sales were more than made up by a £1m increase in profits from Mobiel, which supplies temporary buildings.

Exceptional reorganisation and refinancing costs totalled £558,000 (£1.68m). The April sale of the group's truck rental division led to extraordinary charges of £960,000 (£683,000).

Earnings fell 7.4 per cent to 3.9p, even after last year's figure was restated from 5.05p to 4.21p to reflect the rights issue.

TIP is proposing to cut its final dividend in line with the fall in earnings. A final of 0.76p is proposed, to make total dividends for the year of 1.4p, against 1.82p.

The shares fell 1½p to 31p.

● COMMENT

TIP deserves credit for squeezing profits from a business as hard hit as most, especially since the company's survival was in question less than a year ago. A new management team, a more cautious approach and reduced borrowings have all won applause in the City. But TIP is being forced to sell trailers to control costs. It will therefore benefit less when recovery comes - it will have to buy new trailers which are less profitable in the first few years of operation. With the German economy apparently slowing, analysts have scaled back forecasts for this year to £8.8m, putting the shares on a prospective p/e of 8. Without evidence of recovery in the UK, or resistance to a weaker Europe, that rating looks about right.

Peregrine confirms 24% stake in Invesco

By Angus Foster

Peregrine, the Hong Kong securities house backed by some of the colony's most powerful businessmen, yesterday confirmed that on Monday it lifted its stake in Invesco MIM, the fund manager, from 14.9 per cent to just over 24 per cent.

Peregrine said that the stake would be held as an investment and that it had no intention of buying more shares "at this stage".

Invesco MIM said that both sides had been in regular contact. "We have every reason to believe their intentions are friendly."

Peregrine bought its latest tranche of shares at 77p. The shares were apparently bought from Legal & General Investments and Daido Mutual Life.

Invesco's shares, which added 9p to 84p on Monday, gained a further 4p to 88p yesterday.

£2.8m acquisition by Prime People

PRIME PEOPLE, the Manchester-based human resources group, is to acquire Bowford Engineering Services for £2.8m and meet part of the consideration via a rights issue.

Bowford has six skills training centres throughout the UK.

Consideration will be met by the allotment to vendors of 31m shares at 4¼p, payment of £1.07m cash and the issue of £387,500 loan notes. The vendors, Mr Geoff Bowers and Mr John Ashford, will control a maximum 38.2 per cent of the Prime capital, and shareholders will need to approve the deal.

The rights will be on the basis of 1-for-3 at 4¼p each, and raise £530,000 before expenses. There will also be issued up to 2.5m warrants at the rate of 1-for-5 shares, entitling subscription to one share on March 31 in the years 1993-96 inclusive.

For the year ended October 31 1992 Bowford is forecast to make pre-tax profits of £395,000, compared with £1m. The decline is largely attributable to costs incurred in preparing two projects for the Ministry of Defence and Mobil.

Results from USM-quoted Prime for the half year ended June 30 show a loss of £161,000 (£121,000 after exceptionals of £86,000), from turnover of £431,000 (£595,000). Losses per share were 0.01p (1.5p).

Mezzanine Capital

Mezzanine Capital and Income Trust 2001 had a net asset value per income share of 109.5p (105.7p) and per capital share of 173.5p (133.5p) at March 31. Pre-tax profits for the year to end-March were £1.17m (£1.74m) and earnings per income share 5.23p (7.78p). Interim dividend is 5p (7.25p).

Lowndes Lambert pays up to £1.9m for specialist broker

By Andrew Jack

LOWNDES LAMBERT, the insurance broker which was floated last year, has acquired Crowley Colosso Holdings, which owns a fine arts and jewellery specialist broker.

The initial consideration is £1.4m, comprising £897,000 in cash and the issue to the vendors of 253,455 new Lowndes shares.

Further consideration in shares or cash to a cap of £1.9m will be paid in proportion to any brokerage income during the next two financial years to October in excess of the most recent year's earned brokerage fees till last June.

Mr Richard Shaw, Lowndes' chairman, said he would be surprised if the additional payments exceeded half of the capped limit.

The accounts for Colosso for the year to June 30 1991 showed pre-tax profits of £53,000 on turnover of £1.37m.

The new shares will rank equally with existing shares, and the vendors have pledged not to dispose of them for 12 months after completion.

REED INTERNATIONAL P.L.C.
(the "Issuer")
£50,000,000 11³/₈ per cent. Bonds 1994
(the "Bonds")
(of which £30,000,000 was issued as the
Initial Tranche and represents the
total of the Bonds outstanding)

NOTICE OF EARLY REDEMPTION

On behalf of the Issuer, S.G. Warburg & Co. Ltd. hereby gives notice to the holders of the Bonds that in accordance with Condition 4(c) of the Bonds the Issuer will redeem all of the Bonds then outstanding on 21 December 1992 (the "Redemption Date").

The Bonds will be redeemed at 100½ per cent. of their principal amount on the Redemption Date in accordance with the Terms and Conditions applicable to the Bonds.

Payments of principal will be made on or after the Redemption Date at the specified office of any of the Paying Agents listed below against surrender of the Bonds together with all unmatured Coupons, failing which the amount of the missing unmatured Coupons will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon prior to the expiry of the period of five years after the date on which the Coupon would otherwise have become due. Coupon No.8 maturing on 21 December 1992 should be presented for payment in the usual manner in respect of the interest payment due on that day but otherwise interest will cease to accrue on the Bonds from the Redemption Date.

Bonds and matured Coupons will become void unless presented for payment in the case of Bonds, within a period of ten years from the Redemption Date, and, in the case of matured Coupons, within a period of five years from the first due date for payment thereof.

Principal Paying Agent

S.G.Warburg & Co. Ltd.
2 Finsbury Avenue
London EC2M 2PA

Paying Agents

Kredietbank S.A. Luxembourgeoise
43 Boulevard Royal
Luxembourg

Swiss Bank Corporation
Aeschenvorstadt 1
CH-4002 Basle
Switzerland

4 November 1992

BAT poised to light up new market

Philip Rawstorne reports on the potential for its latest cigarette ventures in eastern Europe

THE FIRST snow of the Russian winter dusted the roofs of the Kremlin across the river from the Kempinski hotel where Sir Patrick Sheehy, chairman of BAT Industries, the UK-based tobacco conglomerate, recently opened formal negotiations for a joint venture with Moscow's largest cigarette factory.

At breakfast in the German-run hotel, Mr IN Ordjonikidze, deputy mayor of Moscow, and Mr LJ Sinelnikov, director of the Yava factory, warmly toasted with champagne the prospect of a deal that would modernise a small but important piece of the country's antiquated industry.

In Russia's hard-pressed economy, cigarettes are regarded not as a health hazard but as socially benign. Demand heavily outweighs supply, giving them the status of a surrogate currency which, unlike the rouble, does not depreciate. Factories that produce cigarettes provide secure jobs and finance local community services.

The letters of intent signed in Moscow marked a further advance in BAT's long-term expansion strategy in the former communist republics – markets for a potential 700bn cigarettes a year, seven times larger than the UK.

BAT, which presents its third-quarter results today, established its first base in eastern Europe earlier this year when it agreed a joint venture deal with the state-owned cigarette factory at Pecs in Hungary. It is investing £20m in the operation over three years.

Two cigarette joint ventures are being set up in the Ukraine, at Prilucky – where the factory supports two schools and a sports stadium – and Cherkassy, south of Kiev. BAT, which is helping to improve the republic's tobacco crop, is also talking about investing in a leaf processing plant at Monastirisk.

Apart from the Yava factory in Moscow, BAT's team has visited more than half of Russia's other 22 cigarette producers. At least two more joint ventures seem likely to follow; one near Moscow, another in Siberia.

Exploratory talks continue about possible developments in other former Soviet republics, and also in Poland, Bulgaria and Romania.

"The investments we are making are essentially long-term," says Sir Patrick. "We do not expect to be making significant profits for at least 10 years, possibly 25 years."

However, the Hungarian venture is already surpassing the group's most optimistic forecasts, Sir Patrick says.

"When we took over, we inherited a management geared to loss not profit, since that was the route to subsidy; a workforce rewarded not with cash but free accommodation and holiday homes; and a distribution network so inured to selling whatever the state monopoly chose to supply that it scarcely believed it could order what it wanted."

Pecs is now producing more cigarettes more economically than ever before. The factory, which previously supplied 40 per cent of Hungary's 27bn cigarettes a year, has profitably raised its market share to more than 50 per cent. Its Sobianae brand is the market leader.

"That was achieved not only by investing in new technology, but also by revolutionising the management of the business and so making more productive use of a willing, skilled, and highly educated workforce."

But if the Pecs venture is beginning to show what rewards are possible, the practical obstacles to reaching even that stage of development remain immense.

There is a willingness to embrace free markets, says Sir Patrick, but a lack of institutions to make them work. Commercial law is inadequate, taxes are liable to unpredictable change, banking systems are inefficient.

"In some places, it is virtually impossible to predict the course of official policy," he says.

In Czechoslovakia, where BAT competed against Philip Morris for control of the Tabak cigarette monopoly, the UK group was given three weeks to tender, a week to inspect the factories, and a brief meeting with management. "It subsequently emerged that the privatisation ministry, in conjunction with its Japanese advisers, had already sewn up a deal with the Americans, and that our role was simply to make up the numbers."

Poland, in contrast, threw open its doors to every cigarette company that knocked on them. The market, as a result, is in total confusion.

The break-up of the Soviet Union and the transfer of power to individual republics has lengthened rather than reduced the bureaucratic process.

Central decision-making is now anathema. To clinch the Yava deal, BAT will have to secure the agreement of the 1,400 factory workers and management; but at the same time it will have to negotiate a labyrinth of city government rules and regulations.

Merely valuing Yava's assets could be a bigger problem than any BAT may face in re-equipping the cramped five-storey pre-1915 factory, raising efficiency, and improving the quality of its output of 14bn cigarettes a year.

Russian officials welcome BAT's policy of maintaining and developing local brands; but until they can make up the shortfall in supply, the group is exporting its international brands from Germany, the UK, US, and Brazil.

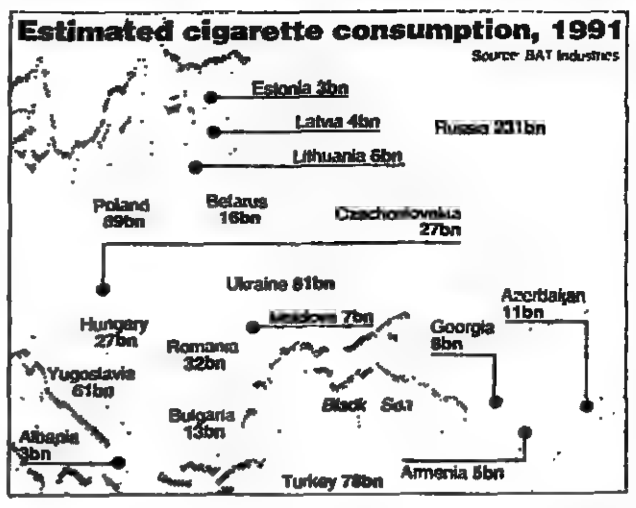
BAT's German factories alone have exported 7bn cigarettes to eastern Europe since the Berlin Wall came down. Total BAT exports have surged in the first nine months of this year, running at nearly three times the volumes of a year ago.

Sales to Russia, hitherto largely dependent on barter deals, have been boosted by the government's decision earlier this year to allow any private trader with hard currency to import cigarettes.

Truckloads of Pall Mall, HB, Hollywood, Kent, and Lucky Strike are now the currency in which many a domestic business deal is settled as well as a staple part of the retail trade.

Estimated cigarette consumption, 1991

Source: BAT Industries



Gloomy Frederick Cooper halves dividend

By Paul Cheeseright, Midlands Correspondent

FREDERICK COOPER, the West Midlands-based group with interests in architectural hardware, specialist coatings and electrical products, is halving its total dividend in acknowledgement that there would be no rapid end to the recession.

"We are taking the view that there will not be any improvement until spring 1994 – we're running the business on that basis," said Mr Ed Kirk, chairman, as he unveiled pre-tax profits down from £3.91m to £3.4m for the year to July 31.

The outcome was struck after an exceptional credit of £165,000 (charge of £268,000) as reorganisation costs were offset by a £600,000 surplus on the winding-up of pension schemes.

In the previous year, the group paid an uncovered total of 4p, but this time the proposed final is cut to 0.5p, bringing the total distribution to 2p.

"We could have afforded to pay more," Mr Kirk said, "but we have to be certain we can pay next year and the year after."

Like most industrial groups, Frederick Cooper has been striving for productivity gains, exercising stringent cost controls – the increase in overheads was held to 2 per cent over the year – and rationalising. The workforce was cut by 10 per cent to 1,500 people.

Against a background of growing pressure on margins, Mr Kirk warned that "the ongoing effect of the 1992 productivity gains will undoubtedly help but there is little scope for further cost savings without harming the production capacity of the group."

Cooper was willing to accept margins pressure as a necessary price for seizing extra market share, especially in the architectural products division which accounts for 60 per cent of sales.

Overall turnover was only fractionally lower at £82.8m (£82.8m).

Within that total, export sales rose by 11 per cent to £15.9m. At the operating profit level – £4.33m against £5.37m – returns from metal finishing were higher, thanks partly to buoyant sales in Germany, but those from electrical products were lower. Operating profits from architectural products were maintained.

Earnings per share were 2.3p (3.5p) basic and 5.1p (6p) fully diluted.

NEWS DIGEST

Fairway expands in marketing

FAIRWAY GROUP, the stationery and educational supplies distributor, is buying Spectrum Marketing Services for a maximum £5.2m.

Fairway also warned that with the economic climate deteriorating the trading performance for the 1992 year would be worse than the £1.77m achieved in 1991. However, the total dividend would be maintained at 3.15p.

Spectrum offers a wide range of marketing services. Turnover has grown from £1.8m in 1990 to £5.5m in 1992.

The consideration is being satisfied by an initial payment of £2.7m of which £2.2m will be cash and the balance in shares. Further profit-related payments to a maximum of £2.5m will be satisfied 40 per cent in shares and the rest in 7 per cent unsecured loan stock 1993-95.

Kenwood grows with Tricom buy

Kenwood Appliances, the domestic appliance company floated on the main market in June, is paying HK$36.5m (£3.1m) for Tricom, a supplier of small kitchen appliances.

Kenwood is also exercising an option to acquire a 50-year lease on Tricom's factory site and adjacent land for HK$9.5m.

Registered in Hong Kong, Tricom's manufacturing operation is located in China's Guangdong province, close to the Shenzhen special economic zone.

Mr Tim Parker, Kenwood chief executive, said: "The acquisition of Tricom is a small but important step in our strategy of expanding the Kenwood brand name on a wider range of appliances."

Explaura board moves as losses rise

Explaura Holdings, the North American aggregates company quoted on the USM, reported increased pre-tax losses of £1.7m for the six months to June 30, against £1.35m.

Turnover almost trebled from £409,000 to £1.1m.

The results were struck after an exceptional provision of £780,000 against an outstanding debt. Explaura has applied to have the company involved wound up.

Explaura also announced that Mr David Finch has returned to the chairmanship. Mr Rudolph Agnew has resigned because of the increasing likelihood of a conflict of interest between Explaura and Federated Aggregates. Mr David Singleton has resigned as managing director for the same reason. Mr Agnew and Mr Singleton are joint chairmen of Federated.

Mr Finch said he was confident of greatly improved results in 1993 but difficulties with its previous contract would affect the second half of 1992. He added that the group continued to need short term liquidity which was being addressed by the board.

Losses per share were unchanged at 1.15p.

Stainless Metalcraft back in the black

Stainless Metalcraft, the USM-quoted medical and engineering group, achieved a sharp turnround in the 12 months to August 31 with a pre-tax profit of £352,535, against losses of £255,756.

Turnover rose from £9.8m to £10.4m. Earnings were 4.1p (losses 3.3p) and there is a return to the dividend list with a payment of 1p.

Extraordinary items amounted to £161,152, mainly costs attributed to the decision to withdraw from the low-margin general contracting and fabrication business early in the next financial year.

The company intends to change its name to Ferraris Group.

Blystad objectors stay with company

Two of the directors of Blystad Group who objected to the successful hostile offer from Abbot Holdings are staying with the new company.

Mr MA McDowell and Mr Paul Bews have resigned from the Blystad board, along with the three members of the Norwegian Blystad family. However, they are remaining on the board of KCA Drilling and other subsidiaries of the group.

An adviser to Abbot, a private company set up by Mr Alistair Locke, said that the differences between the two men had not been great and had only arisen after lengthy talks when they were close to agreement.

Over the weekend Mr Locke, who now controls more than 75 per cent of Blystad, made a further appeal for the remaining shareholders to accept. He intends taking the company private as soon as possible.

Streamlining at Dale Electric

Dale Electric International, the Yorkshire-based power systems group, is streamlining its operations with the creation of one principal UK subsidiary from its three main offshoots and the sale of non-core UK and overseas companies.

It has also sold the first phase of its property in Ashford, Kent, for £750,000. Negotiations continue for the disposal of the remainder.

Siam Smaller Cos Fund to be unitised

Credit Lyonnais Lang has revealed plans to unitise the Siam Smaller Companies Fund, a Cayman Islands-registered but London-listed closed end fund. Credit Lyonnais Lang will make an offer at formula asset value for the fund. Investors will receive shares in the Asian Smaller Companies Fund, a new open-ended fund listed in Dublin. This will have a wider scope than the Siam Fund, with a portfolio spread across non-Japanese Asian markets.

Siam Smaller Companies Fund currently has assets of $29.3m, (£17.9m) and Credit Lyonnais plans to place a further $20m of shares in the new fund, for a combined total of a little less $50m.

Hungarian Inv lapses into losses

Hungarian Investment Company, the fund managed by John Govett which was floated in London in February 1990, reported net losses of $5,128 (£3,146) for the six months to August 31. Losses per share amounted to 0.5 cents.

In the previous six months to February 29 there were net profits of $235,026 for earnings per share of 23.5 cents.

Net asset value per share was $108.35 ($103.85).

TENDER NOTICE

UK GOVERNMENT
ECU TREASURY BILLS

For tender on 10 November 1992

1. The Bank of England announces the issue by Her Majesty's Treasury of ECU 1,000 million nominal of UK Government ECU Treasury Bills, for tender on a bid-yield basis on Tuesday, 10 November 1992. An additional ECU 50 million nominal of Bills will be allotted directly to the Bank of England.

2. The ECU 1,000 million of Bills to be issued by tender will be dated 12 November 1992 and will be in the following maturities:
ECU 300 million for maturity on 10 December 1992
ECU 300 million for maturity on 11 February 1993
ECU 400 million for maturity on 13 May 1993

3. All tenders must be made on the printed application forms available on request from the Bank of England. Completed application forms must be lodged, by hand, at the Bank of England, Securities Office, Threadneedle Street, London not later than 10.30 a.m., London time, on Tuesday, 10 November 1992. Payment for Bills allotted will be due on Thursday, 12 November 1992.

4. Each tender at each yield for each maturity must be made on a separate application form for a minimum of ECU 500,000 nominal. Tenders above this minimum must be in multiples of ECU 100,000 nominal.

5. Tenders must be made on a yield basis (calculated on the basis of the actual number of days to maturity and a year of 360 days) rounded to two decimal places. Each application form must state the maturity date of the Bills for which application is made, the yield bid and the amount tendered for.

The Bank of England will announce early on 10 November the maximum yield for each maturity of Bills on offer which will be acceptable in the tender. Any tenders at yields above the relevant maximum yield will be rejected. The maximum yields for each maturity of Bills on offer will be published on the following wire services: Reuters (pages GBAA - AF); Telerate (pages 6473-78) and Topic (page 44751).

6. Notification will be despatched on the day of the tender to applicants whose tenders have been accepted in whole or in part. For applicants who have requested credit of Bills in global form to their account with Euro-clear or CEDEL, Bills will be credited in the relevant systems against payment. For applicants who have requested definitive Bills, Bills will be available for collection at the Securities Office of the Bank of England after 1.30 p.m. on Thursday, 12 November 1992 provided cleared funds have been credited to the Bank of England's ECU Treasury Bills Account No. 59005516 with Lloyds Bank Plc, International Banking Division, PO Box 19, Hays Lane House, 1 Hays Lane, London SE1 2HA. Definitive Bills will be available in amounts of
ECU 10,000, ECU 50,000, ECU 100,000, ECU 500,000, ECU 1,000,000, ECU 5,000,000 and ECU 10,000,000 nominal.

7. Her Majesty's Treasury reserve the right to reject any or part of any tender.

8. The arrangements for the tender are set out in more detail in the Information Memorandum on the UK Government ECU Treasury Bill programme issued by the Bank of England on behalf of Her Majesty's Treasury on 28 March 1989, and in supplements to the Information Memorandum. All tenders will be subject to the provisions of that Information Memorandum (as supplemented) and to the provisions of this notice.

9. The ECU 50 million of Bills to be allotted directly to the Bank of England will be for maturity on 13 May 1993. These Bills may be made available through sale and repurchase transactions to the market makers listed in the Information Memorandum (as supplemented) in order to facilitate settlement.

Any Bills of any maturity on offer not allotted in the tender will be allotted to the Bank of England. Such Bills may subsequently be sold into the secondary market or made available through sale and repurchase transactions to the market makers listed in the Information Memorandum (as supplemented).

10. Copies of the Information Memorandum (and supplements to it) may be obtained at the Bank of England. UK Government ECU Treasury Bills are issued under the Treasury Bills Act 1877, the National Loans Act 1968 and the Treasury Bills Regulations 1968 as amended.

Bank of England
3 November 1992

T&N poised to make acquisition in Germany

By Kevin Done, Motor Industry Correspondent

T&N, one of the leading UK automotive component makers, is at an advanced stage of negotiations to make its first significant acquisition in Germany.

It has held talks with three possible takeover targets, but it is understood that the most probable candidate is Goetze, a components maker with a leading world position in the manufacturing of piston rings, an important engine component.

T&N, which had a turnover last year of £1.36bn, is a leading producer of engine components specialising in piston products, as well as bearings and friction parts, but it has lacked hitherto a strong base in Germany, the leading vehicle producer in Europe.

Mr Colin Hope, T&N chairman and chief executive, has previously indicated that the planned acquisition in Germany could cost up to £100m. The company is planning to finance the move through debt rather than a share issue.

Goetze, which has its headquarters in Burscheld, near Leverkusen, is still 82.4 per cent family-owned. It had a turnover worldwide last year of DM886m (£359m) and has a workforce of about 8,000, of which some 6,000 are in Germany.

The company has six plants in Germany, including one acquired in Dresden in eastern Germany last year, which also produces piston rings. It also has plants in the US, France and Turkey and minority interests in Austria and India.

An acquisition of Goetze would significantly increase the geographic spread of T&N's operations. Goetze last year derived 36 per cent of its turnover from Germany, 29 per cent from other European Community countries, 18 per cent from North America and 5 per cent from Asia.

As a privately-owned German company few financial details are published, but it is understood that Goetze's profits have fallen significantly and that it has recently traded close to break-even.

German component makers have been coming under a growing financial squeeze as hard-pressed vehicle makers increasingly look for cheaper sources of supply.

German vehicle makers are increasing their purchase of components from the UK, where suppliers already had a considerable cost advantage over German producers, even before the recent substantial devaluation of sterling.

T&N is seeking to add a strong technology base in Germany, but it believes that a significant acquisition there would also improve its access to supply the country's vehicle makers from its components plants outside Germany.

Consumers' Association joins disapproval of Dan-Air deal

By Jane Fuller

THE CHORUS of disapproval at the government's decision not to refer British Airways' takeover of Dan-Air to the Monopolies and Mergers Commission gathered force yesterday with the Consumers' Association slating the outcome.

"We are appalled," said Mr Derek Prentice, assistant director. "It reduces competition. When consumers have less choice, they lose out."

Mr Prentice and Sir Michael Bishop, chairman of British Midland, both said that it might have been better for competition if Dan-Air had gone bust.

In that case several airlines could have enhanced their scheduled networks by picking up the popular routes, rather than allowing "the dominant airline to grow even more dominant," as Mr Prentice put it.

Sir Michael contended that the government had had "the wool pulled over its eyes by BA" and had swept competition issues under the carpet. The decision simply helped BA to cut its costs, and hence its losses, at Gatwick. The result was a commercial benefit to BA.

He argued that fewer jobs would have been lost if Dan-Air had collapsed and its routes taken on by several airlines. "The more airlines participate, the more jobs because staff are duplicated and you don't get the benefits of scale."

He referred to the Civil Aviation Authority's view that the takeover raised serious competition issues – although the CAA did not go so far as to recommend referral to the MMC.

Aggrieved competitors, which also include Virgin Atlantic and Air UK, are taking legal advice on whether the government's decision can be challenged.

They are also calling for an independent watchdog body that might be called "Ofair", similar to the regulators of privatised utilities.

A longer term thrust is to seek changes to the rules affecting slots at Heathrow so that BA's hold on about 38 per cent of them might be weakened.

BA replied that other airlines had had the chance to do a deal with Davies & Newman, Dan-Air's parent, but it was the only one prepared to mount a rescue.

Its establishment of a low-cost operation at Gatwick would benefit consumers and its post-merger 21 per cent share of that airport's slots did not amount to domination.

Jobs had been saved and redundancy packages were better than in a liquidation, trade creditors had been protected and many travellers' plans had not been wrecked.

BAA, Gatwick's landlord, stressed that it would be good for the airport to have BA, with its international marketing clout, as a big operator.

Possible new US bidder for TVS

By Raymond Snoddy

TVS ENTERTAINMENT, the south of England ITV company which has lost its franchise, has had a new approach from the US, which could lead to a higher bid for the company.

The approach has been made through TCW Capital, an $800m (£490m) investment arm of Trust, the Los Angeles money management company.

It comes as the offer document for a bid worth £38.2m from International Family Entertainment for the ITV company is being finalised.

IFE runs The Family Channel, a cable television channel devoted to wholesome entertainment which has more than 56m subscribers in the US.

TVS shares, which before the offer in September were as low as 3½p, rose 4½p to 26p yesterday.

Senior TVS executives were uncertain who was ultimately behind the new approach or how serious it was. One suggested possibility was Mr Alan Hirschfield, a media entrepreneur and a former head of Columbia Pictures. Mr Hirschfield has built a stake of more than 6 per cent in TVS.

US investors are interested in TVS for two main reasons. The chief is the UK company's American subsidiary MTM and its library of programmes such as Hill Street Blues and Lou Grant. But TVS is also seen as a potential vehicle for entering the UK and continental European programme production market.

Earlier this year Mr Rudolph Agnew, the TVS chairman, took the view that selling the company would be the best way of realising value for shareholders. The IFE offer would mean 25p for ordinary shareholders and 45p for preference shareholders.

The offer has generated considerable opposition particularly from preference shareholders. Mr James Gatward, former chief executive of TVS, is also opposed to the IFE offer and said he would be willing to carry out a restructuring of the company he founded to ensure its survival.

Ansbacher agrees S African offer

By Roland Rudd

HENRY ANSBACHER, the UK merchant bank, has agreed terms for a takeover by the First National Bank of South Africa which includes a higher payment to minority shareholders.

The offer, which will be sent to shareholders shortly, values Ansbacher at a slight premium to its current market value of £52m.

It is the first time a South African bank has acquired a British bank. First National plans to expand Ansbacher, which specialises in South African debt, to service its South Africa-based multinational clients.

Pargesa, the Swiss investment group controlled by Mr Paul Desmarais, the Canadian financier, and Mr Albert Frère, the Belgian financier, has been keen to sell its 62 per cent stake for more than two years.

Along with Kuwaiti-controlled Wafra Intervest, which has another 11 per cent, Pargesa has accepted an offer believed to be in the region of yesterday's closing price of 28p.

However, Mr Richard Fenhalls, chairman, could not recommend that price to minority shareholders, which are now to be offered at least 10 per cent more at a price above 30p a share.

Mr Fenhalls, who was brought in to rescue the bank from near collapse in 1985, is expected to relinquish the chair within six months but continue his connection with the bank as a non-executive director.

First National has made it clear that it intends to replace Mr Fenhalls and most of the directors with its own appointees. The only senior board members to stay on will be Mr Gordon Adam, a director of the bank, and Mr William Guinness and Mr David Sebire, directors of the holding company.

First National has told Ansbacher that it intends to keep most of the 97 staff.

The South Africans approached Ansbacher in May when it learnt that Mr Fenhalls was resisting a takeover by Singer & Friedlander.

Ansbacher's return to profit – it made pre-tax profits of £1.9m (£1.1m) in the six months to end-June following losses of £8.2m for 1991 – will be underlined in the offer document containing details of increased profits for the nine months to the end of September.

Shareholders' funds exceed £80m with only a small amount of corporate lending.

Powerscreen up 18% on lower costs

By Jane Fuller

Trevor Humphries

Shay McKeown, chairman: "avoiding overheads".

POWERSCREEN International, the Northern Ireland-based maker of mobile screening and stone crushing equipment, increased interim pre-tax profits by 18 per cent, in spite of the decline in the UK construction sector and weakness of the dollar.

The pre-tax figure rose to £11.2m from £9.43m, restated at a lower level to include the write-off of R & D spending. Powerscreen's share price responded with a 13p rise to 283p.

Turnover rose 22 per cent to £51.3m (£42m). Included for the first time was Finlay Engineering, which contributed £5.5m. Another acquisition called Matbro, a maker of agricultural equipment, chipped in £6.8m (£1.3m). Together they accounted for about 10 per cent of profits.

Mr Shay McKeown, chairman, said reasons for the continued growth included low-cost production helped by use of sub-contract labour and standardised products, "catering for customer needs rather than our own vanities" and "avoiding overheads".

The profit figure would have been £450,000 better if the dollar-sterling exchange rate had stayed the same.

The impact of the weak dollar on translation of US figures showed through in the decline in the North American share of turnover from 38 to 31 per cent.

The UK's share slipped from 31 to 29 per cent in spite of help from acquisitions.

This lost ground was more than made up by rapid sales expansion in continental Europe, which accounted for 30 (22) per cent of sales, and in south-east Asia. Big increases in infrastructure spending in Indonesia, Malaysia and Singapore, for instance, helped Brown Lenox to push up sales to £10.9m (£9.9m) in spite of contraction in the UK.

Powerscreen Distribution, the biggest subsidiary, saw sales advance by 4 per cent to £18.9m. Mr McKeown said increased sales of larger screening units had helped offset dollar and UK weaknesses.

Interest costs were again negligible. After the £5.3m acquisition of CPV, a maker of stainless steel containers, debt stood at £1.5m. The group would be cash positive by the year-end, he added.

Fully diluted earnings per share rose to 9.6p (8.3p). The interim dividend goes up to 1.8p (1.7p).

● COMMENT

Powerscreen's nimbleness in switching to more buoyant markets when established beats sag is amply illustrated by its vigorous penetration of south-east Asian markets. That part of the world – with considerable potential for infrastructure development – is being talked of as a third leg to the business alongside Europe and North America. Short term, the company will receive a fillip from the pound's devaluation, as from its latest acquisition. Full-year pre-tax profit is forecast to rise to more than £22m from £18.8m, a prospective p/e of nearly 15. Its strong track record, continued overseas growth and recovery potential in the US and UK argue for a small premium. Some might say the premium is there if account is taken of the low tax charge and high market value relative to turnover. After a good run, the stock remains a strong hold.

Scottish Met cuts loss to £0.5m

By Roland Rudd

SCOTTISH Metropolitan Property, Scotland's leading property investment company, made a pre-tax loss of £489,563 and passed its final dividend for the year ended August 15.

This compares with a loss of £8.37m after an exceptional charge of £11.6m to cover write-downs and bank fees for renegotiating debt payments in the previous year.

Net asset value per share fell to 113.8p from 145.4p. The main reason for this year's loss is the increase in the net interest charge to £20.7m (£14m) charged through the profit and loss account.

Only £860,000 of interest was capitalised, compared to £8.86m, following completion of the group's development programme.

Mr Scott Cairns, who was appointed managing director in January, said the accounting policy was not to capitalise interest beyond practical completion of a development.

The developments include Saltire Court, 66 per cent let and Hay Weight House, unlet, in Edinburgh, and National House, 5 per cent let, in Manchester.

"If we increase letting revenue it will flow directly to the profit and loss account," said Mr Cairns.

In spite of net property sales of £31.8m, rental income rose by 16 per cent to £22.6m (£19.4m) with revenue from properties up from £18.7m to £21.4m.

The valuation of the group's properties at August 15 was £285.7m, which reflected an overall decline of 8 per cent compared with the book value.

As the group warned at the end of September, there is no final dividend. An interim of 1.5p (2.53p) was paid in August.

Borrowings were £170.3m (£201.3m).

There were losses per share of 0.89p compared with losses of 9.93p.

Simpsons suspended on bid

By Tim Burt

SHARES IN Simpsons of Cornhill, owners of the famous City chop house, were suspended yesterday after the board received a takeover bid for the Nottingham-based restaurants group.

Mr Paul Reece, managing director, said he had requested a 48-hour suspension following an approach from a UK venture company.

Promising to disclose the identity of the bidder before the end of the week, Mr Reece said there was considerable corporate interest in the group which comprises Simpsons of Cornhill and the Jamaica Inn in the City and the Dell'Ugo and Palio bistros in London's west end.

The bidder is not connected to the group of dissident shareholders currently seeking the overthrow of the current board, he added.

The rebel group, led by Mr Robert Klapp, former chairman of Select Appointments, confirmed they had not been approached by bidders seeking to buy their shares – estimated at 29 per cent of the total.

The bitter struggle for control of the company centred on allegations that the board had abandoned its strategy of developing a chain of themed chop house restaurants.

The rebels claimed the company had been made more vulnerable to outside bids by the acquisition and costly refurbishment of restaurants such as Dell'Ugo in Soho.

Mr Reece, however, claimed the company was healthy and set for further expansion following its small pre-tax profit of £80,000 for the last full year.

Redundancies at Prudential offshoot

By Andrew Jack

Mercantile & General Reinsurance, a subsidiary of Prudential Corporation and the UK's biggest reinsurance company, will be making some of its underwriters redundant later this week following the downturn in business. Further redundancies among support staff are also likely before Christmas as part of a package of measures to reduce costs.

Mr John Engestrom, the chief executive who took office in July, said that staff would be informed later this week. He added that there were 132 underwriting staff out of 1,500 total employees worldwide.

The job losses follow a statement from the company at the beginning of last month that rating levels in primary insurance were insufficient and reinsurance costs had been raised particularly as a result of the London market excess (LMX) reinsurance spiral and the claims related to hurricanes Andrew and Iniki.

Mr Engestrom said the most significant impact was "softer" underwriting results in the last year than expected.

United Drug

United Drug has declared its takeover offer for Alchem unconditional in all respects.

The offer will remain open until further notice.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Cooper (Fred) ....fin	0.5	Feb 1	2.5	2	4
Grand Central ....int	0.45	Feb 26	0.45	-	1.15
Powerscreen ....int	1.8†	Jan 22	1.7	-	6
Scot Metro Prop ......fin	nil	-	1.87	1.5	4.4
Scot Nat Trust ....fin	3.05	Jan 7	3.05	8.85	8.85
Stainless Metal ......fin	1	Jan 20	nil	1	nil
Thames Water ....int	6.9	Feb 5	6.4	-	19.2
TIP Europe ....fin	0.76†	Jan 5	1.26	1.4	1.82

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interim- [illegible]
Final- Finsbury Growth Trust

FUTURE DATES

Interims-

ACT	Nov. 10
Charter Consolidated	Dec. 8
Christie	Nov 12
King & Shaxson	Nov 11
Lowndes Lambert	Nov. 24
PowerGen	[illegible]
Staveley Industries	Nov 12
Unigate	Nov 10

Finals-

Apollo Metals	Nov 24
Hogg Robinson	Nov 18
Scottish Value Trust	Nov 11

Thames Water Interim Results

for the half year ended 30 September 1992

Turnover up 15% to £502m
Profit before tax up 5% to £124m
Earnings per share up 6% to 30.1p
Interim Dividend per share up 8% to 6.9p
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Roy Watts
Sir Roy Watts
Chairman

Thames Water Plc 14 Cavendish Place London W1M 9DJ

The interim dividend will be paid on 5 February, 1993 to shareholders on the register on 4 December, 1992. Shareholders will again have the scrip dividend option. The interim report will be posted on 15 December, 1992. Information on the scrip option will also be sent out on 15 December, 1992 to those shareholders who have not already elected to receive shares instead of cash.

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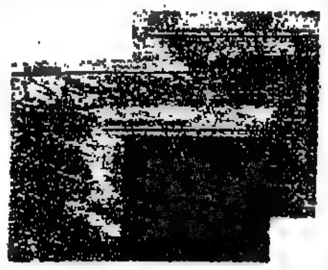

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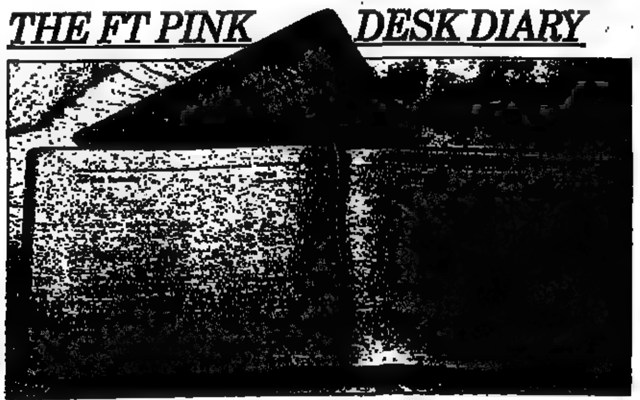

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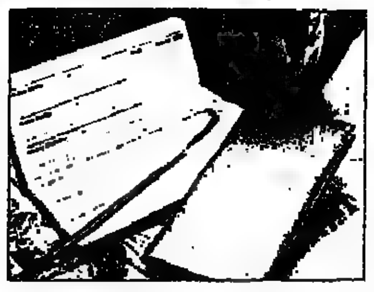

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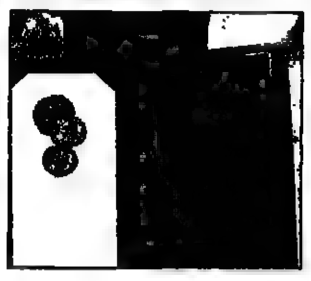

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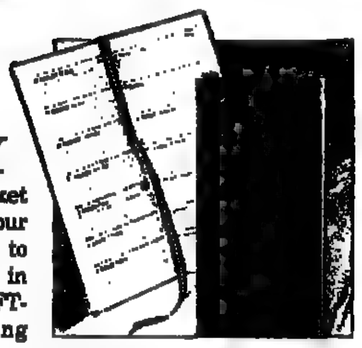

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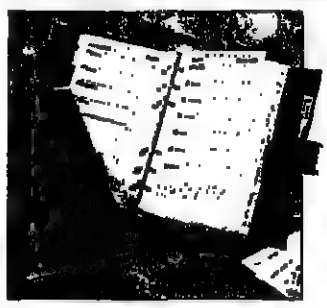

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COMMODITIES AND AGRICULTURE

UK government urged to rethink milk co-op plan

By David Blackwell

THE UK GOVERNMENT was urged yesterday to think again before it went ahead with its plans to replace the statutory Milk Marketing Board with a single voluntary co-operative.

Continuing his fierce opposition to the proposed reforms of the MMB, Mr Brian Smith, president of the Dairy Trade Federation, asked how a government that believed in free market competition could consider such legislation.

"What a recipe for a price explosion!" he told the DTF annual lunch in London. In a year when the regulatory bodies of other privatised industries had had to act to curb price increases, "government is proposing to create a situation where a very dominant selling organisation of a product whose supply is fixed by quota is to have no regulatory checks and balances at all".

Mr David Curry, junior minister of agriculture, said the most important benefit of the reforms had been obscured by the "hurly-burly of arguments for and against a single voluntary co-operative". The fact was that the abolition of the MMB would mean that for the first time in 60 years producers would be free to sell their milk to whomever they wanted.

"It is a major liberalisation," he said, adding that many individual producer would want to sell direct to dairy companies, while other producers would undertake joint marketing initiatives.

He suggested that the DTF's regulatory fears were exaggerated. The MMB's successor would come under the full scrutiny of the European Commission as well as being "subject to the full rigour of UK competition law".

At a later press conference Mr Smith said he had not been reassured by Mr Curry's remarks. DTF members were particularly worried about the proposed co-operative taking over all the MMB's assets apart from Dairy Crest, its wholly-owned dairy subsidiary, which is to be hived off. The concentration of assets in one co-op would not help the formation of other bodies, he suggested.

Mr Curry pointed out that the agriculture ministry had been besieged by people clamouring to get out of the MMB rather than in. He would give no timetable fo the legislation, only saying that it would appear "relatively soon". But he stressed the importance of ending the statutory scheme before it collapse of its own accord.

Big Chinese zinc imports forecast

By Kenneth Gooding, Mining Correspondent

CHINA'S SURGING demand for metals is likely to have an even more profound impact on the zinc market than it is having on the copper business, according to a study from the Economist Intelligence Unit consultancy organisation.

It suggests that Chinese zinc production will fall behind consumption and leave by 1995 an apparent net import requirement of 117,000 tonnes, equivalent to 2.4 per cent of last year's western consumption.

The EIU suggests that China's demand for imported copper will reach 167,000 tonnes in 1995, equivalent to 1.7 per cent of 1991's western consumption.

In contrast, China was in 1990 a net exporter of 12,000 tonnes of unwrought refined zinc and imported only 21,000 tonnes of copper.

Mr Richard Vivian, author of the study, assumes that China's annual economic growth during its present five-year plan (1991-95) will average more than 8 per cent compared with China's own forecast of 6 per cent and that rapid expansion takes place in the first three years rather than the last three years, as predicted by the Chinese.

Consequently, China's copper supply deficit is forecast to be 123,000 tonnes this year and 139,000 tonnes in 1993. The supply deficit of refined zinc is forecast to be 60,000 tonnes this year and 95,000 tonnes in 1993.

LME WAREHOUSE STOCKS
(As at Monday's close)
tonnes

Aluminium	+5,250	to 1,428,375
Copper	+3,400	to 317,800
Lead	+4,000	to 193,575
Nickel	+198	to 56,236
Zinc	+650	to 367,750
Tin	+200	to 14,660

Mr Vivian says China needs some additional zinc refining capacity in order to avoid the anomaly of surplus mine production alongside a deficit in refined metal.

He points out that China's five-year plan gives priority to increasing aluminium production so the country's soaring demand for this metal is not expected to throw up a big import requirement.

However, even though China plans a 75 per cent increase in primary aluminium output between 1991 and 1995, the EIU foresees only a "modest" exportable surplus of 77,000 tonnes by 1995. Next year, however, China's aluminium imports could peak at 82,000 tonnes.

The study also predicts rapid growth in Chinese nickel consumption, which is expected to result in a marked reversal of China's trade in refined metal and nickel in concentrates (an intermediate product). This arises because a big expansion of smelter capacity at Jinchuan came in 1991 whereas the associated mine capacity expansion is scheduled for 1993. This means that China at present has apparently a need to import concentrates but has an exportable surplus of refined nickel. But by 1995 the study suggests China could be importing 3,600 tonnes of refined nickel and exporting 4,000 tonnes of concentrates.

China's Metals and World Markets: Emerging opportunities for Trade; £195 or $405 from EIU, 40 Duke Street, London W1A 1DW

MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

ANTIMONY: European free market 99.6 per cent, $ per tonne, in warehouse, 1,690-1,750 (same).

BISMUTH: European free market, min. 99.99 per cent, $ per lb, tonne lots in warehouse, 2.25-2.45 (2.20-2.40).

CADMIUM: European free market, min. 99.5 per cent, $ per lb, in warehouse, 0.65-0.75 (same).

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse, 15.50-16.50 (14.00-15.00).

MERCURY: European free market, min. 99.99 per cent, $ per 76 lb flask, in warehouse, 135-150 (same).

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 2.10-2.20 (same).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 4.80-5.50.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit (10 kg) WO_3, cif, 45-55 (same).

VANADIUM: European free market, min. 98 per cent, $ a lb V_2O_5, cif, 1.80-2.00 (same).

URANIUM: Nuexco exchange value, $ per lb, U_3O_8, 8.75 (same).

Argentine farmers in free market protest

By John Barham in Buenos Aires

ARGENTINA'S farmers yesterday ended a 48-hour lockout to protest against the government's free market policies, which they claim threaten the survival of small and medium-sized farms.

Three farmers' groups representing the majority of Argentina's 300,000 farmers on Monday stopped shipping cattle and grain to market, although they maintained deliveries of perishable produce such as milk and vegetables.

Mr Osvaldo Sarachu, an economist at Coninagro, a farm co-operative umbrella organisation, said "the government's policies are bankrupting small and medium farms by forcing them to adjust without providing adequate credit". But Mr Marcelo Regunaga, agriculture and fisheries secretary, said the protest "will not have any effect on the government's economic policy".

Farmers are already heavily indebted but are unable to refinance their loans at reasonable terms. Mr Sarachu said banks only lend for a maximum 210 days at high interest rates of 18 per cent a year in dollar terms.

He admitted, however, that Mr Domingo Cavallo, the economy minister was trying to improve farmers' profitability. Last week the government abolished an 18 per cent fuel tax and reduced other federal taxes. That should raise farm revenues by about US$450m a year. If promised reductions in provincial taxes were implemented, farmers would double that gain.

However, farmers' incomes are being squeezed by inflation of 20 per cent a year, an overvalued exchange rate and the US-EC subsidy war that depresses international prices. Unrest over the costs of economic adjustment and falling incomes is rising throughout Argentina. The CGT trade union confederation has called a general strike for next Monday.

Boll weevil hits Chinese cotton

A SERIOUS outbreak of cotton boll weevil on a crop already highly stressed by drought has cut the estimate for China's 1992-93 cotton crop from 25.3m bales (480 lb each) to 19.9m, according to a US agricultural attache said, Reuter reports from Washington.

Green laws 'may cost refiners $50bn'

By Neil Buckley in Amsterdam

EUROPEAN OIL refiners might have to invest $50bn by the end of the decade in meeting tighter environmental legislation, delegates at the Financial Times Petroleum and Gas conference heard yesterday.

Mr Michael Brandt, manager of supply co-ordination and planning with Shell Internationale in The Hague, told the conference, which focused on new challenges for Europe's oil refining industries, that the cost to refiners of meeting environmental legislation over the next three years was likely to be between $12bn and $16bn. The eventual cost could be as high as $50bn.

Mr Wilson Berry, managing director of manufacturing and marketing at Texaco, also told delegates that investment in upgrading refineries, improving the quality of products, and meeting tougher environmental standards could be as much as $40bn.

Mr Berry warned that such investment would have to be made despite a continued pessimistic outlook for European refiners, who had been hit hard by worldwide recession resulting in a fall in demand for oil products. He said that only modest increases in demand for gasoline and middle distillates were likely through to the end of the century.

The trend for cutting capacity, he warned, had recently been reversed, despite the excess of capacity in western Europe, and capacity was forecast to increase again by between 2 and 3 per cent by 1995.

Mr Berry said new investment would have to be carefully-focused, and urged closer collaboration between industry, government, the academic world and public interest groups in tackling environmental issues.

Mr Brandt agreed that total oil product demand in Europe was likely to remain fairly constant in the next ten years, as western economies became less energy-intensive and decreased their reliance on oil. But demand for lighter oil products of higher quality was likely to increase.

Speakers also expressed concern about the possible impact of a carbon tax.

Mr Saadallah al-Fathi, head of energy studies at the Organisation of Petroleum Exporting Countries in Vienna, said the oil cartel was strongly opposed to European Community proposals for a $3 a barrel tax, rising to $10 a barrel.

He warned that such a tax would cut $30bn from Opec's revenues by the end of the decade. "Why should we develop new supplies if no one is going to buy them? Even if it is only on a European level, the impact will be tremendous on the organisation." He added that the impact could be multiplied up to five-fold if a tax was adopted by all the countries of the Organisation for Economic Co-operation and Development.

Mr al-Fathi also forecast that European reliance on Opec oil was likely to increase by the year 2000 to 9.6m barrels a day, from 6.32m b/d in 1990, as other sources declined. This would lift Opec's contribution to European oil demand from 41.5 per cent to 61.5 per cent.

Mr Peter Gaffney, senior partner at Gaffney, Cline & Associates, the energy consultants, said the petroleum industry was already heavily taxed, compared with coal and nuclear industries, which were often subsidised. He said on every taxable barrel of North Sea oil and sold for $20, total tax take by the UK government was $52 by the time all the oil products reached the consumer – made up of $17 upstream tax, and $35 downstream excise and tax on products.

Burmese drills grinding to a halt

Disappointed explorers are ready to pull out, writes **Victor Mallet**

SEVERAL international oil companies are on the verge of abandoning efforts to find oil and gas in Burma after collectively spending more than US$400m in three years on almost fruitless exploratory drilling.

Among those that have already decided to drop their onshore exploration blocks are BHP of Australia and Clyde of the UK.

The military government awarded a round of three-year contracts in late 1989. Oil companies have the option of extending the contracts, but most of them – disappointed by poor results and higher than expected costs – are likely to pull out, according to oil company executives and western diplomats.

Burma's ruling State Law and Order Restoration Council, which faces a deepening energy crisis, is pinning its hopes on a project awarded this year to Total of France to exploit known offshore gas reserves in the Gulf of Martaban.

The plan is to export most of the gas to Thailand by pipeline, but the $1bn project will not come on stream until the second half of the decade.

Crude oil was extracted from hand-dug wells in Burma as far back as the tenth century, and the country – officially renamed Myanmar – now produces about 15,000 barrels a day of oil and 85m cubic feet a day of gas.

The oil companies operating in Burma – including Shell, Amoco, Unocal and Idemitsu – were hopeful that they would find large oil-bearing structures in the country.

"But after three years of exploring, everything seems to be technically more complex – hard to find and hard to develop," says one oil company executive in the capital Rangoon. In the words of one western diplomat: "They have spent an awful lot of money not finding oil".

> "After three years of exploring, everything seems to be technically more complex – hard to find and hard to develop"

Obstacles included the complexity of Burma's geology, the inadequacy of its transport and communications networks, the seasonal monsoon rains and the embarrassment of working with a military junta notorious for the brutality with which it suppressed pro-democracy demonstrations in 1988.

In a paper presented at a regional oil and gas conference in Bangkok earlier this year, the state-owned Myanmar Oil and Gas Enterprise spoke admiringly of Amoco's logistical achievement in hauling thousands of tonnes of equipment by helicopter and river barge to its concession in remote northern Burma.

The military government, acutely aware of the country's energy deficit, has to rely on foreign oil companies because of its own shortage of funds and expertise. Power cuts are common, refineries are operating at 30 per cent of capacity and petrol at the official price is rationed, although supplies are freely available on the black market.

Government officials seem philosophical, however, about the departure of some of the oil companies.

"That's the nature of oil exploration," says Commander Thein Tun, a former naval officer who heads the energy planning department. "Companies are going out and companies are coming in.

"This year the price of oil is not very encouraging to the explorers and so most of the oil companies in the US have to retrench, and the oil companies in Japan also have problems. We are quite aware that the infrastructure in some areas is not adequate and that they have some logistical problems."

The only bright spot of the last three years was in January this year when Shell struck a barely commercial amount of gas at one of the three exploratory wells on its concession in central Burma; the gas is now being fed into the domestic grid.

Commander Thein Tun says the government is negotiating with Shell in the hope that the company will take on four small blocks in a previously explored area next to its existing concession.

The US companies Apache Oil and Trend International were awarded two blocks each this year, and Kailis Resources of Australia took a block on the west coast, but several onshore blocks remain open.

Offshore, meanwhile, the only activity is in three blocks operated by Texaco and in the area to be exploited by Total.

Total's first job will be to appraise the gas discovered by MOGE in 1983. The enterprise estimates that reserves exceed six trillion (million million) cubic feet of gas, Burmese officials say, but other studies suggest a figure of between 2.6 trillion and 3.5 trillion cu ft.

A quarter of the estimated 400m cu ft a day of gas produced could be used inside Burma, and the rest is likely to be exported to Thailand by pipeline following negotiations involving the Petroleum Authority of Thailand and the Electricity Generating Authority of Thailand.

The proposed pipeline would cross an area where rebels opposed to the ruling council are active, but Commander Thein Tun said his government had told the Thais that the Burmese would look after the pipeline on the Burmese side of the frontier.

"Maybe there are only one or two strongholds of the Karens [the rebels] there," he said; "and the government is at the moment trying to talk with the ethnic groups."

WORLD COMMODITIES PRICES

MARKET REPORT

London's robusta **COFFEE** erased losses and established a fresh nine-month high, tracking a similar turn-round in New York as the markets resumed their upward trends after absorbing bouts of profit taking. Dealers said the mood remained constructive. With little sign of origins selling aggressively into the rally, there appears to be potential for the market to go even higher. The January contract closed $12 higher at $947 a tonne after peaking at $950. A hesitant tone was evident in **LME BASE METALS** in the afternoon, with earlier falls halted by short covering ahead of a possible bounce in prices once uncertainty over the US election outcome is resolved. One broker's report suggested that Clinton's pledge to improve infrastructure clearly suggested spending on transport and communications, indicating support for copper, aluminium and steel markets. New York **COTTON** futures hit the 2 cent daily limit after a report said that China's 1992-93 output was sharply down.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)(Dec)		+ or -
Dubai	$17.45-7.55u	+.275
Brent Blend (dated)	$19.40-9.45	+.175
Brent Blend (Dec)	$19.55-9.60	+0.15
W.T.I (1 pm est)	$20.75-0.85u	+0.15

Oil products (NWE prompt delivery per tonne CIF		+ or -
Premium Gasoline	$212-215	
Gas Oil	$191-192	+2
Heavy Fuel Oil	$100-101	
Naphtha	$190-191	
Petroleum Argus Estimates		

Other		+ or -
Gold (per troy oz)♣	$338.70	-1.05
Silver (per troy oz)♣	380.0c	+1.6
Platinum (per troy oz)	$357.0	+1.5
Palladium (per troy oz)	$94.50	+0.25
Copper (US Producer)	105.5c	
Lead (US Producer)	42.0c	+0.8
Tin (Kuala Lumpur market)	14.15r	
Tin (New York)	267.5c	
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	106.50p	-0.27*
Sheep (live weight)†♣	73.35p	+0.21*
Pigs (live weight)†	[illegible]	+4.01*
London daily sugar (raw)	$230.0z	+3.0
London daily sugar (white)	$260.5z	
Tate and Lyle export price	£258.5	+1.5
Barley (English feed)	Unq.	
Maize (US No. 3 yellow)	£146.00	+1.25
Wheat (US Dark Northern)	Unq	
Rubber (Dec)♥	63.00p	
Rubber (Jan)♥	63.00p	
Rubber (KL RSS No 1 Oct)	223.0m	+1.0
Coconut oil (Philippines)§	$507.5y	[illegible]
Palm Oil (Malaysian)§	$405.0t	
Copra (Philippines)§	$332.5	+10.0
Soyabeans (US)	£165.0z	+2.0
Cotton "A" index	51.90c	+0.30
Wooltops (64s Super)	406p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. t-Nov. y-Dec/Jan u-Dec. w-Oct/Nov. z-Nov/Dec. †Meat Commission average latstock prices * change from a week ago ♥London physical. §CIF Rotterdam ♣ Bullion market close m-Malaysian cents/kg. ♣Sheep prices are now live weight prices

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low	
Dec	199.00	199.00		
White	**Close**	**Previous**	**High/Low**	
Dec	259.50	261.80	260.00	259.00
Mar	258.90	261.00	259.50	258.50
May	260.90	262.50	260.50	260.00
Oct	255.00	256.50	[illegible]	[illegible]

Turnover: Raw 0 (51) lots of 50 tonnes. White 595 (1089) Paris- White (FFr per tonne): Dec 1372.73 Mar 1399.15

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low	
Dec	19.57	19.55	19.67	19.51
Jan	19.61	19.58	19.70	19.55
Feb	19.53	19.54	[illegible]	[illegible]
Mar	19.50	19.45	19.54	19.50
Apr	19.38	19.33	19.47	19.39
May	19.40	19.30	19.42	19.40
Jul	19.23		19.23	
Aug	19.17		19.17	
IPE Index	19.48	19.34		

Turnover 16546 (23261)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low	
Nov	186.00	184.50	187.00	185.50
Dec	187.00	185.50	187.75	186.00
Jan	188.00	186.75	188.75	187.50
Feb	186.00	184.75	186.75	185.75
Mar	181.75	180.50	182.50	181.75
Apr	177.75	176.50	178.00	177.50
May	175.50	173.25	175.50	175.50
Jun	174.00	172.50	174.50	174.00

Turnover 16546 (16005) lots of 100 tonnes

COTTON
Liverpool- Spot and shipment sales for the week ending October 30 amounted to 176 tonnes against 10 tonnes in the previous week. Sales were low and occured mainly in American and Mali growths.

COCOA – London FOX £/tonne

	Close	Previous	High/Low	
Dec	699	701	706	695
Mar	719	724	732	717
May	737	742	746	736
Jul	754	759	765	757
Sep	770	775	782	774
Dec	793	799	802	795
Mar	821	828	823	818
May	837	846	839	

Turnover: 4614 (6657) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Nov 2 742.27 (731.96) 10 day average for Nov 3 746.07 (743.13)

COFFEE – London FOX $/tonne

	Close	Previous	High/Low	
Nov	917	906	920	892
Jan	948	935	950	920
Mar	961	948	964	937
May	986	965	985	940
Jul	965	966	974	950
Sep	990	978	980	

Turnover:3296 (2059) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Nov 2: Comp. daily 56.95 (57.29) 15 day average 54.46 (54.13)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low	
Apr	59.7	61.3	60.5	58.5

Turnover 59 (79) lots of 20 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low
Feb	146.00		146.00
Apr	147.00		147.00

Turnover 30 (0) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low	
Nov	1195	1182	1195	1183
Dec	1198	1185	1198	1185
Jan	1230	1225	1230	1225
Apr	1243		1243	1235
BFI	1114	1113		

Turnover 95 (16)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low	
Jan	131.30	131.20	131.50	130.80
Mar	134.15	134.00	134.15	133.60
May	136.25	137.00	136.25	
Jun	137.60		137.60	
Sep	104.75	104.25	104.75	
Barley	**Close**	**Previous**	**High/Low**	
Jan	129.25	129.90	129.85	129.25
Mar	132.15	133.00	132.25	131.95

Turnover: Wheat 245 (546), Barley 102 (190).
Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Nov	114.0	113.0	113.5
Jan	102.5	102.0	102.0

Turnover 15 (16) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)					Total daily turnover 27,993 lots	
Cash	1145.5-6.5	1143-4	1140	1140-1		
3 months	1171.5-2.0	1168.5-9	1173/1164	1168.5-7.5	1169-9.5	178,556 lots
Copper, Grade A (£ per tonne)					Total daily turnover 27,016 lots	
Cash	1438-9	1454.5-6.5	1453/1451	1462.5-3.0		
3 months	1468-6.5	1481-2	1480/1469	1479-9.5	1469-9	147,630 lots
Lead (£ per tonne)					Total daily turnover 4,549 lots	
Cash	301-2	315-6		304-5		
3 months	314-5	326-6.5	328/312	316-7	316-7	23,695 lots
Nickel ($ per tonne)					Total daily turnover 7,205 lots	
Cash	5830-40	5955-60	5820	5815-20		
3 months	5910-20	6035-6	6000/5870	5900-5	5905-10	31,916 lots
Tin ($ per tonne)					Total daily turnover 2,044 lots	
Cash	5600-10	5780-5		5788-90		
3 months	5650-60	5835-40	5880/5630	5835-40	5650-60	9,882 lots
Zinc, Special High Grade ($ per tonne)					Total daily turnover 11,686 lots	
Cash	1070-2	1078-7	1070.5/1070	1069.5-70.0		
3 months	1089-90	1096-7	1094/1088	1089-90	1088-9	88,252 lots

LME Closing £/$ rate:
SPOT: 1.5465 3 months: 1.5341 6 months: 1.5281 9 months: 1.53182

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (troy oz)	$ price	£ equivalent
Close	338.60-338.80	
Opening	340.10-340.40	
Morning fix	338.75	220.110
Afternoon fix	338.60	218.240
Day's high	340.10-340.40	
Day's low	338.40-338.70	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.05	6 months	2.26
2 months	2.10	12 months	2.50
3 months	2.16		

Silver fix	p/troy oz	US cts equiv
Spot	[illegible]	379.30
3 months	251.15	382.40
6 months	254.85	385.70
12 months	262.00	392.75

GOLD COINS

	$ price	£ equivalent
Krugerrand	337.50-344.50	219.00-221.00
Maple leaf	349.95-351.20	-
New Sovereign	81.00-84.00	53.00-55.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Dec	Mar	Dec	Mar
1100	60	81	3	6
1200	5	30	47	45
1300	3	6	141	119
Copper (Grade A)	**Calls**		**Puts**	
2200	51	92	10	29
2300	11	40	60	76
2400	3	19	148	147
Coffee	**Jan**	**Mar**	**Jan**	**Mar**
900	65	90	17	29
950	36	61	38	50
1000	19	40	69	79
Cocoa	**Dec**	**Mar**	**Dec**	**Mar**
675	29	67	6	23
700	14	53	16	34
725	6	40	33	46
Brent Crude	**Dec**	**Jan**	**Dec**	**Jan**
1950	25	53	22	47
2000	6	13	44	67
2050	2	19		102

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Nov	337.5	339.9	[illegible]	339.2
Dec	338.2	340.6	339.4	337.4
Jan	338.9	341.3	0	0
Feb	339.8	342.0	340.8	338.8
Apr	340.9	343.4	342.1	340.3
Jun	342.4	344.8	343.5	342.2
Aug	344.0	346.6	0	0
Oct	345.6	348.4	0	0
Dec	347.7	350.3	349.1	348.0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Jan	355.3	355.5	357.9	355.0
Apr	354.8	354.5	357.0	354.5
Jul	354.6	354.2	356.0	356.0
Oct	356.5	359.2	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Nov	377.2	378.1	378.5	378.0
Dec	378.2	379.2	380.5	377.5
Jan	379.5	380.5	0	0
Mar	382.0	383.0	384.0	381.5
May	384.8	385.8	386.0	385.5
Jul	387.6	388.6	390.0	387.5
Sep	390.3	391.4	0	0
Dec	394.9	396.0	397.0	395.5
Jan	396.4	397.5	0	0
Mar	400.2	401.3	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Nov	99.15	98.95	99.25	99.00
Dec	99.85	99.45	100.20	99.10
Jan	100.05	99.90	100.30	100.00
Feb	100.65	100.45	0	0
Mar	100.80	100.60	101.25	100.35
Apr	101.25	101.00	0	0
May	101.70	101.35	102.10	101.30
Jun	102.05	101.80	0	0
Jul	102.45	101.90	102.75	102.30
Aug	102.80	102.10	102.70	102.70

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Dec	20.73	20.77	20.87	20.70
Jan	20.76	20.78	20.86	20.70
Feb	20.69	20.72	20.81	20.66
Mar	20.65	20.67	20.75	20.64
Apr	20.65	20.62	20.70	20.59
May	20.61	20.58	20.63	20.55
Jun	20.57	20.54	20.60	20.54
Jul	20.53	20.50	20.53	20.50
Aug	20.49	20.46	20.50	20.46
Sep	20.44	20.42	20.45	20.42

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Dec	59.70	60.09	60.65	59.46
Jan	60.60	[illegible]	61.30	60.40
Feb	60.25	60.40	[illegible]	60.20
Mar	58.80	59.00	59.40	58.75
Apr	57.40	57.65	57.90	57.40
May	56.60	56.80	56.80	56.50
Jun	55.70	55.90	56.05	55.75
Jul	55.90	55.95	56.05	56.00
Aug	56.50	56.55	56.50	56.60
Sep	57.70	57.70	57.70	57.70

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Dec	949	960	975	945
Mar	996	1006	1020	990
May	1028	1038	1050	1028
Jul	1057	1067	1080	1056
Sep	1084	1095	1103	1096
Dec	1120	1130	1115	1115
Mar	1159	1169	0	0
May	1188	1198	0	0
Jul	1218	1228	0	0
Sep	1241	1251	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Dec	67.50	67.60	68.20	65.70
Mar	69.90	69.65	70.25	67.80
May	72.70	72.55	72.60	70.00
Jul	74.25	74.10	74.25	72.00
Sep	75.70	75.40	75.75	73.75
Dec	78.20	77.40	78.25	76.50
Mar	80.15	78.75	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	8.94	8.97	8.98	8.87
May	9.00	9.04	9.02	8.96
Jul	9.03	9.06	9.04	9.00
Oct	8.98	9.05	9.01	8.97
Mar	9.02	9.08	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Dec	54.83	52.83	54.83	52.60
Mar	55.03	53.03	55.03	52.80
May	55.41	53.41	55.41	53.45
Jul	56.10	54.10	56.10	54.05
Oct	57.30	55.30	57.30	57.30
Dec	57.70	55.70	57.70	55.80
Mar	58.15	56.15	58.15	58.00

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Nov	98.75	96.65	97.50	96.70
Jan	95.20	96.30	96.80	95.10
Mar	96.70	97.90	98.40	96.55
May	98.10	99.05	99.05	96.50
Jul	97.75	98.90	98.50	98.50
Sep	98.10	98.90	98.50	98.50
Nov	97.85	98.40	0	0
Jan	97.85	98.40	0	0
Mar	97.85	98.40	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Nov 3	Nov 2	mnth ago	yr ago
1650.4	1658.1	1575.3	1637.2

DOW JONES (Base: Dec. 31 1974 = 100)

	Nov 2	Oct 30	mnth ago	yr ago
Spot	114.40	113.95	113.55	113.56
Futures	118.45	118.18	114.84	122.50

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Nov	564/6	553/4	566/0	551/6
Jan	557/2	556/0	558/4	554/0
Mar	563/4	562/2	565/0	560/6
May	570/6	568/6	571/0	566/4
Jul	576/0	574/2	577/0	572/4
Aug	578/0	575/6	578/4	575/0
Sep	576/4	574/2	578/0	575/0
Nov	582/2	579/6	583/4	579/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Dec	19.64	19.49	19.69	19.45
Jan	19.78	19.81	19.80	19.56
Mar	19.86	19.79	20.02	19.78
May	20.20	19.98	20.20	19.97
Jul	20.38	20.14	20.40	20.15
Aug	20.46	20.17	0	0
Sep	20.50	20.22	0	0
Oct	20.50	20.26	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Dec	183.0	183.3	183.5	182.0
Jan	183.1	183.3	183.7	182.4
Mar	183.3	183.4	183.8	182.8
May	184.0	184.0	184.1	183.3
Jul	185.9	185.7	185.9	185.2
Aug	186.0	186.4	186.6	185.0
Sep	187.0	187.3	187.7	187.0
Oct	188.5	188.6	188.5	188.3

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Dec	211/0	211/2	211/6	209/6
Mar	221/0	221/2	221/2	219/4
May	226/2	226/4	226/4	226/6
Jul	232/4	232/4	232/6	231/0
Sep	236/6	237/2	237/6	235/6
Dec	241/4	241/6	242/0	240/2
Mar	248/4	248/6	248/4	247/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Dec	359/6	362/6	363/0	359/0
Mar	357/2	359/2	359/0	356/0
May	341/0	344/4	342/6	340/4
Jul	317/2	318/4	318/4	316/0
Sep	321/6	324/0	322/4	321/4
Dec	333/0	334/0	333/0	331/4

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Dec	73.325	73.800	73.900	73.250
Feb	71.350	71.650	71.650	71.225
Apr	71.725	72.075	72.150	71.675
Jun	68.975	69.450	69.500	68.900
Aug	68.000	68.375	68.375	68.000
Oct	68.450	68.850	68.850	68.350
Dec	69.000	69.000	69.000	69.000

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Dec	43.000	42.875	43.150	42.650
Feb	42.925	42.700	43.000	42.250
Apr	40.775	40.675	40.800	40.225
Jun	45.075	45.100	45.150	44.650
Jul	44.700	44.750	44.800	44.500
Aug	43.600	43.500	43.600	43.300
Oct	40.675	40.675	40.700	40.425
Dec	42.675	42.700	42.700	42.450

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	42.150	41.600	42.225	41.125
Mar	42.125	41.600	42.200	41.250
May	43.875	43.225	43.875	42.750
Jul	44.375	43.775	44.375	43.200
Aug	43.500	42.700	43.500	43.000

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LONDON STOCK EXCHANGE

Dollar stocks lead advance in shares

By Terry Byland,
UK Stock Market Editor

DEMAND for dollar stocks ahead of the outcome of the US presidential election took the London stock market yesterday to barely over one percentage point under the all-time closing high reached just after the re-election of John Major's Conservative government.

Paradoxically, domestic stocks remained less confident, overshadowed by the uncertain prospects for tonight's parliamentary debate on the Maastricht proposals.

The London market brushed aside the weakness in the US dollar itself, taking its cue from Wall Street's overnight gain and from perceptions that Governor Clinton, leading the opinion polls as voting in the presidential election commenced, would, if elected, act to stimulate the US economy.

Share prices opened smartly higher in London on the back of the US buying seen at the close of the previous day. The day's peak of 2,713.4 on the FT-SE Index was reached very early however, and the gain was cut back at mid-session as the dollar turned easier.

London resumed its upward trend when Wall Street, after initial uncertainty, edged higher in early trading in its new session. At the close, the FT-SE Index stood at 2,705.6 for a gain of 17.8 on the day. The Footsie reached its closing peak of 2,737.8 on May 11 this year but has not been able to hold above the Footsie 2,700 mark since then.

The trend was set for the stock market by widespread gains in US-orientated stocks, ranging from ICI and Cable & Wireless to Rank Organisation. Pharmaceutical issues, which had been restrained by concerns that a new US president might restructure healthcare charges, joined in the advance.

Trading volume was boosted by the focus on the big international stocks. The day's Seaq total rose to 586.6m shares, compared with 519.3m on the previous day. Monday's retail business was worth £1.1bn, maintaining the improved business levels of recent weeks and helping restore the financial health of the London-based securities industry. However, hints of further staff cutbacks in UK stock market trading firms have continued to circulate in the City this week.

The electricity power generating stocks responded to reports that the deal with the coal supply cntracts may be signed shortly. But the broader range of UK manufacturing and retail sectors remained under the shadow of the economic recession, reinforced yesterday by the disclosure that the fall in domestic house prices accelerated last month.

Firmness in sterling and in government bond prices, reflected in easier rates in London money markets, gave some encouragement to hopes for another cut in UK base rates in the near future. But the stock market has assumed that such hopes must now await the outcome of the Maastricht debate in parliament and could, in any event, be postponed until the government makes its autumn economic statement at the end of next week.

While traders were cautious of over-enthusiasm yesterday, pointing out that share gains had been extended in early trading by a squeeze on trading positions at marketmaking firms still bent on keeping tight books, the mood appeared optimistic; however, the fear of a political crisis should the Mr Major's government fail to secure support for its Maastricht policies acted as a restraining factor.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	9	453	+26	Comm. Union	798	563	-5	Lonrho	688	68½	+1½	Shell Transport	3,200	540	+2
ASDA Group	9,000	43	+1	Cookson	4,100	161	+1	Lucas	1,600	116	+1	Siebe	4,800	340	+5
Abbey National	3,400	362	+4	Courtaulds	1,300	505	+8	MB Caradon	1,700	271		Slough Ests	660	135	-1
Albert Fisher	270	44	-1	Dalgety	577	435	+4	MEPC	1,000	341	+11	Smith (W H) A	622	477	+4
Allied-Lyons	7,300	635	+9	De La Rue	915	845	+4	Manweb	121	456	-1	Smith & Nephew	3,800	154½	-2
Amstrad	2,200	27½	-½	Dixons	1,500	221	+1	Marks & Spencer	8,400	319	-4	SmKl Beecham	2,700	540	+11
Anglian Water	1,700	468	-2	Eastern Elect.	1,300	385	+8	Midlands Elect	914	433	+3	SmKl Beecham Uts.	1,300	478	+7
Argos	221	258		East Midland Elect	184	389	+3	NFC	614	281	+7	Smiths Inds.	766	323	+8
Argyll Group	3,100	350	-9	Eng China Clays	3,900	430	-2	NatWest Bank	4,100	398	+1	Southern Elect	1,500	398	-2
Arjo Wiggins	1,900	164	-1	Enterprise Oil	1,700	456	+3	National Power	5,900	382	+10	South Wales Elect.	232	478	+4
Ass Brit. Foods	209	442	-1	Eurotunnel Units	494	359	+3	Next	2,800	118½	+4	South West Water	689	483	-4
Ass Brit. Ports	949	295	-2	FKI	3,600	85	+1	North West Water	575	469	-6	South West. Elect	538	424	-2
BAA	841	754	+5	Fisons	1,700	225	-1	Northern Elect.	44	435	+2	Southern Water	240	446	-1
BAT Inds	2,200	905	+17	Forte	949	169	-1	Northern Foods	2,500	264	-3	Standard Chartd	348	532	-1
BET	2,000	105	+1½	Gen. Accident	1,100	543	-6	Norweb	1,000	422	+4	Storehouse	1,800	165	-2
BICC	1,000	258	+3	General Elect.	8,300	249	+4½	Pearson	1,900	350	-13	Sun Alliance	1,200	330	+3
BOC	812	723	+16	Glaxo	5,400	835	+15	P & O	745	464	+12	TAN	2,900	141	-2
BP	8,200	232	-2½	Glynwed Int.	1,300	216	-2	Pilkington	4,800	85		TI Group	1,900	308	+6
BPB Inds.	3,800	175	+3	Granada	3,400	295		PowerGen	3,000	268	+17	TSB	2,300	135½	-2½
BT	6,500	380	+4	Grand Met.	6,200	418	+6	Prudential	3,600	275½	-½	Tarmac	4,500	93	-2
BT New	2,600	274½	+2½	GUS A	385	1609	+14	RHM	1,900	263		Tate & Lyle	2,300	349	-1
BTR	2,800	498	+3½	CRE	1,800	183		RMC	775	465		Taylor Woodrow	1,500	81	+3
Bank of Scotland	4,200	115½	+1½	GKN	5,600	394	-8	RTZ	784	637		Tesco	8,000	225	-7
Barclays	19,000	340	-10	Guinness	1,100	538	+4	Racal	300	167	+1	Thames Water	4,800	485	-7
Bass	2,000	571	+16	HSBC (75p shs)	3,500	529	-1	Rank Org.	1,200	611	+25	Thorn EMI	1,400	824	+4
Berisford Intl.	53	14½		Hammerson "A"	380	220	+9	Reckitt & Colman	844	650		Tomkins	5,000	225	+3½
Blue Circle	3,100	172	-3	Hanson	5,500	231¼	+1½	Redland	1,100	362	+8	Trafalgar House	1,800	84	+1½
Booker	175	394	+5	Hanson Warrants	2,800	19	+¼	Reed Intl.	1,600	585		Unigate	2,700	275	
Boots	1,700	491	+9	Harrisons Crosfield	953	131	-2	Rentokil	395	188	+1½	Unilever	947	1109	+10
Bowater	509	563	-2	Hillsdown	3,100	102	-4	Reuters	688	1190	-3	United Biscuits	177	338	-2
Brit. Aerospace	6,100	149½	+6½	IMI	1,500	232	+6	Rolls Royce	1,400	130		Utd. Newspapers	363	484	-6
British Airways	2,000	281	+5	ICI	877	1060	+24	Rothmans	1,300	609	-9	Vodafone	2,000	374	
British Gas	4,500	278	+3	Inchcape	1,800	507	-8	Ryl Bk Scotland	3,800	165	+2	Warburg (SG)	832	537	+8
British Land	272	180	+3	Kingfisher	845	526	-4	Royal Insurance	1,900	297	-6	Wellcome	2,300	993	+12
British Steel	14,000	48	+2	Kwik Save	646	719	-11	Saatchi	1,400	138	+4	Welsh Water	142	310	-8
Bunzl	120	162	+1	Ladbroke	1,500	169	-8	Sainsbury	2,300	505	-6	Wessex Water	482	570	+2
Burmah Castrol	554	651	+13	Land Securities	2,600	415	+9	Scottish & New.	737	402	+4	Whitbread 'A'	1,000	482	+9
Burton	3,800	44	-½	Laporte	215	589	-4	Scot. Hydro-Elect.	1,300	323	+3	Williams Hldgs.	976	284	+12
Cable & Wire	4,100	633	+13	Legal & General	1,400	399	+1	Scottish Power	2,100	204		Willis Corroon	742	221	+4
Cadbury Schweppes	2,400	483	+2	Lloyds Abbey	1,700	385	+6	Sears	5,700	92	+1	Wimpey	3,000	101	
Calor Group	1,100	240	+11	Lloyds Bank	4,000	493	+13	Sedgwick	2,200	165	+3	Wolseley	694	420	-1
Carlton Comms.	411	718	-1	LASMO	6,900	183	+8½	Seeboard	562	426	+3	Yorkshire Elect.	1,200	460	+8
Coats Viyella	968	206	+1	London Elec.	183	414		Severn Trent Water	1,600	448	-2	Yorkshire Water	720	524	+3

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

Account Dealing Dates

*First Dealings:		
Oct 19	Nov 2	Nov 16
Option Declarations:		
Oct 29	Nov 12	Nov 26
Last Dealings:		
Oct 30	Nov 13	Nov 27
Account Day:		
Nov 9	Nov 23	Dec 7

*New time dealings may take place from 8.30am two business days earlier.

Alert in property sector

LEADING property shares moved forward as recent talk of German money moving into the London office market produced firmer hints of the imminent signing of three major contracts in the City.

Sterling's devaluation has brought German and other overseas investors back into the UK property sector, reported to have around £400m of funds available for equity and real capital requirements. Yesterday, both forms of investment opportunity appeared to attract attention as MEPC and Hammerson were subject to big disposal rumours, and dealers reported overseas buying in selected property shares.

MEPC was said to be close to selling its Finsbury Circus development to Difa, a German investment trust, for close on £80m. The Bank of Tokyo is a long term tenant of the office block. MEPC refused to comment on the rumour, which surfaced in the trade press last week. Hammerson also declined to comment on strong hints that it had received a £30m offer from a private German investor for its Sceptre Court development in the City of London, and a further £20m for its Lonsdale Chambers block, in the West End.

Finally Credit Lyonnais Laing, the French banking group, was said to be negotiating to buy the freehold of its Broadgate base from developer Rosehaugh.

The renewed interest in the London office market, while bringing relief to debt-ridden owners, was dismissed by analysts as speculative and not the harbinger of good times for a property sector still under a recessionary cloud. "What we are seeing is some buying from the Continent which sees the market as cheap following devaluation," said Mr Ray Jones at Paribas. Others said the rises would not be sustained and the recent gain had been overdone. Yesterday, Hammerson Ordinary rose 8 to 229p, the "A" shares 9 to 220p, Land Securities 9 to 415p and MEPC 11 to 341p.

Burmah wanted

A series of positive presentations to investment institutions in Scotland led to a sharp rally in Burmah Castrol shares.

The lubricants company addressed the Scottish fund managers under the auspices of County NatWest at a dinner in Glasgow and a breakfast meeting in Edinburgh.

Burmah, a notable beneficiary from the recent devaluation of sterling, earns around 25 per cent of its profits in Germany, via its Castrol and Foseco businesses, and is believed to have been largely unaffected by the apparent slowdown of economic activity in that country.

Burmah shares raced up to 658p during early trading but eased back to close a net 13 higher at 651p.

Today's seminar on the group's Indonesian gas operation and a story that S.G. Warburg Securities had increased its net asset value by 20 per cent to 210p a share because of the recent fall in sterling against the dollar, gave a big push to Lasmo shares. The stock ended a busy session a net 8½ firmer at 183p after exceptionally heavy turnover of 5.5m shares.

Enterprise saw good support, edging up 3 to 456p on 1.7m. Bottled gas company Calor closed 10 to the good at 239p on relatively high turnover of 1m, with buyers chasing the stock for the dividend, payable at the end of the month.

Oil sector specialists pointed out that worries about increasing production by OPEC countries were again affecting the oil market. BP slipped 2½ to 232p but Shell, still boosted by a recent BZW buy recommendation, added 2 more at 540p. BZW said; "We believe that a number of fears that investors have about the stock are unfounded and continue to believe that fair value is a market yield; that equates to 610p in the current market."

Dollar influenced stocks were generally stronger despite the uninspiring performance from the US currency. The stocks responded more to the impending continuity of the next presidential term security. Glaxo, helped by a Wertheim Schroder recommendation was up 23 before easing with the market to close 15 firmer at 835p. Wellcome lifted 12 to 993p. Nikko Europe was reiterating both of them in its latest quarterly sector review. SmithKline Beecham gained 12 to 540 in the 'A's and and ICI improved 24 to 1060p.

The long-awaited but widely-expected downgrade of Barclays Bank by BZW duly arrived and produced a bout of heavy trading and – much to the surprise of marketmakers - a near 3 per cent decline in Barclays shares. The stock settled 10 lower at 340p, having fallen to 333p early in the day.

BZW forecast a £65m loss for Barclays in the current year, against a previous prediction of £305m and expects the bank to cut the dividend to 14.15p. For 1993 BZW has pencilled in a profit figure of £375m.

Lloyds Bank benefited from switching out of Barclays and settled with a 13 gain at 493p on good turnover of 4m.

Cable and Wireless continued to reflect the recent Kleinwort Benson recommendation and added 14 at 632p.

Several engineering and motor stocks came under pressure after Kleinwort Benson downgraded profit expectations. GKN gave up 8 to 394p, on high volume of 5.6m. The broker is believed to be expecting GKN to report current year profits of £125m, and £115 for the following year. Also downgraded was BBA, 2 lighter at 132p, and Laird Group, up 6 to 278 with the strong market. Shares in TI Group also discounted the cut in profit expectations from Kleinwort Benson and instead moved 6 ahead to 308p,boosted by the strengthening dollar.

British Aerospace shares were wanted and gained 6½ to 149½p. The stock is favoured by agency broker Henderson Crosthwaite and Mr Brian Newman at Henderson believes the shares to be a buy because "the share price discounts the current uncertainties and the recent decline of sterling will help recovery prospect". Volume reached 6.1m.

Speculation that APV would soon be on the receiving end of a bid from Siebe continued. The former added 4 at 90p and the latter firmed 5 to 349p. A squeeze was behind the advance in Smiths Industries, which closed 8 up at 323p.

Shares in William Cook, which reports interim results next week, eased a penny to 88p. A squeeze was seen in a number of transport stocks. These included BAA, up 5 at 754p, and P&O which jumped 12 to 464p.

In a firm drinks sector, Bass jumped 15 to 571p, helped by a buy recommnedation from James Capel.Early talk that Kingfisher was considering a money-raising excercise to build a war chest reignited old bid stories about Lloyds Chemist. While the rumour found little substance among analysts, few expressed surprise, Kingfisher being cash-rich and known to be casting its eye not only over the domestic situation but also Europe. After early strength, the shares fell back 4 to 526p. Lloyds advanced 2 to 216p.

Weakness in Tate and Lyle saw the shares off 1 at 349p. The company announced it was stopping production of its Sucralose sweetener pending US approval.

Food retailers were weak on vague hints of a price war after Tesco, off 7 at 225p, started a new promotion. Kwik Save fell 11 to 719p and Argyll 9 to 350p.

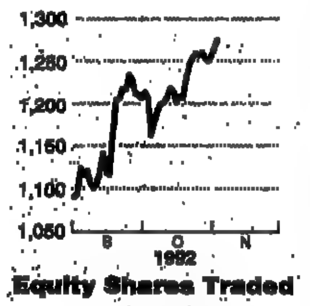
Publishing and leisure conglomerate Pearson lost recent gains after its broker and one other securities house cut back profit forecasts. Broker Cazenove, which never comments on its actions, was said to have cut its 1992 forecast to £135m after seeing the company on Monday. The figure is well below last week's revised consensus of around £144m. Smith New Court, which also visited the company, reduced to £134m for this year and £157m for 1993. Pearson shares fell 13 to 350p.

Small television group TVS jumped 4½ to 26 after announcing that it had received a bid approach.

MARKET REPORTERS:
Christopher Price,
Steve Thompson,
Peter John, Joel Kibazo.

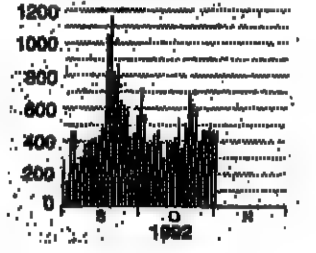
■ Other market statistics, Page 24

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding: intra-market business & Overseas turnover



FINANCIAL TIMES EQUITY INDICES

	Nov 3	Nov 2	Oct 30	Oct 29	Oct 28	Year ago	High	Low
Ordinary share	2007.2	1996.1	1963.8	1948.7	1956.5	1948.8	2149.7	1670.0
Ord. div. yield	4.55	4.59	4.65	4.67	4.65	5.02	5.34	4.24
Earning yld % full	6.45	6.50	6.59	6.62	6.65	7.59	-	-
P/E ratio net	19.77	19.62	19.36	19.26	19.10	16.31	20.84	15.79
P/E ratio nil	18.27	18.13	17.99	17.82	17.78	14.41	-	-
Gold Mines	72.3	73.2	73.2	73.9	73.7	100.6	160.6	65.0

*for 1992 Ordinary share index since compilation. high 2149.7 22/5/92 - low 49.4 26/6/40
Gold Mines Index since compilation high: 734.7 15/2/83- low 43.5 26/10/71
Basis Ordinary share 1/7/35; Gold Mines 12/9/55.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2018.3	2009.5	2012.7	2011.3	2011.0	2007.8	2010.0	2003.1	2006.1	2018.4	2002.6

Volume	Nov 3	Nov 2	Oct 30	Oct 29	Oct 28	Year ago
SEAQ Bargains	29,139	25,214	27,885	23,526	22,061	23,670
Equity Turnover(£m)†	-	1082.4	1065.1	1007.1	1110.5	1006.34
Equity Bargains†	-	28,827	31,237	28,049	25,109	22,843
Shares traded (mil)†	-	467.0	472.5	489.6	468.4	471.2

† Excluding intra-market business and overseas turnover.

London report and latest Share index
Tel. 0891 123001. Calls charged at 36p/minute cheap rate. 48p at all other times.

NEW HIGHS AND LOWS FOR 1992

NEW HIGHS (150).
BRITISH FUNDS (1) Treas. 2pc IL '94, **AMERICANS (30) CANADIANS (7)** Bk Montreal, Bk. Nova Scotia, Brascan, Imperial Oil, Nova Corp. Alberta, Tronto-Dom., Trans. Can. Pipe, **BANKS (6)** ABN, Abbey Natl., HSBC, HSBC (75p Shs), Lloyds, NatWest, **BREWERS (2)** Bulmer (HP), **BUSINESS SERVS (3)** Hays, Rentokil, Salvesen (C), **CHEMS (1)** Engelhard, **CONGLOMERATES (1)** Sime Darby, **ELECTRICITY (1)** Scott. Power, **ELECTRONICS (2)** Elect'comps, Rodime, **FOOD MANUF (1)** Unilever N/V, **FOOD RETAILING (5)** Dairy Farm, Iceland, Morrison (Wm), Do 5¼pc Pf., Sainsbury (J), **HEALTH & HSEHOLD (1)** Huntleigh Tech., **HOTELS & LEIS (3)** Granada, Do 7½pc Pf., Millwall, **INSCE BROKERS (2)** Alex. & Alex., Marsh & McLennan, **INSCE COMPOSITE (2)** Aon, USF & G, **INSCE LIFE (1)** Britannic, **INV TRUSTS (49)** Abtrust New Dawn, Do Wts, Do B Wts., Abtrust New Thai, Alliance Tst., American Tst., Do B, BZW Convertible, British Assets, City of Oxford Zero Pf., EFM Java, English & Scott., First Philippine Wts., Flmg American, Do Cv. '99, Flmg Far Eastern, Flmg. Inst. High Zero Pf., Flmg. Overseas, Foreign & Colonial, French Property, Gartmore Emrg. Pacific, Gartmore Scot. Zero Pf., Gartmore Value Zero Pf., General Consld. Stppd. Pf., Independent, JF Pacific Wrt., Kleinwort High Inc. Zero Pf., Kleinwort O'seas., Law Debenture, London Amer Ventures, M & G Inc. Zero Pf., Monks Inv., Murray Intl., Murray Smllr. Mkts. B, New Frontiers 6½pc Ln. '10, Overseas Inv., Pacific Assets, Do Wts, R/T Capital, Scottish Inv., Scott. Mortgage, Scott. Natl. Zero Pf., Second Alliance, Siam Select. Growth, TR Far East Inc., TR Pacific, TR Technology Zero Pf., Templeton Emrg. Mkts., Do 1pc Ln. '01, **MEDIA (5)** Flextech, News Corp., News Intl., TVS Entmt., Utd Newspapers, **MISC (1)** Waste Mngemt., **OIL & GAS (1)** Calor, **OTHER FINCL (4)** Burlington, London Scott., Perpetual, Swire Pacific, **OTHER INDLS (3)** Charter Consld., Renishaw, Staveley, **PACKG, PAPER & PRINTG (2)** Carnaud Metalbox, Macfarlane, **PROP (1)** HK Land, **STORES (3)** Next, The Rack, **TELE NETWORKS (3)** BT, BT (Fly/ Paid), Cable & Wireless, **TEXTS (1)** Celestion, **TRANSPORT (1)** CSX, **WATER (7)** Anglian, Northumbrian, Severn Trent, Southern, Welsh, Wessex, Yorks., **PLANTATIONS (1)** Anglo-Eastern.
NEW LOWS (23).
BLDG MATLS (2) Explaura, Starmin, **CONTG & CONSTRCN (1)** Guardian, **ELECTRONICS (1)** Control Techs., **ENG GEN (1)** Torday & Carlisle, **INV TRUSTS (3)** Exmoor Dual Zero Pf., I & S Optimum Inc., Throg. Dual Inc., **MEDIA (2)** Aegis, Fitch, **MTL & MTL FORMING (2)** Barrett (H), Cook (Wm), **MISC (2)** Excalibur, Hornby, **OIL & GAS (1)** New London, **OTHER FINCL (1)** Baltic 7pc Pf., **OTHER INDLS (1)** Kelsey, **PROP (2)** Dencora, Olives, **STORES (1)** Fired Earth Tiles, **TEXTS (2)** British Mohair, Pepe, **MINES (1)** Monarch Res.

EQUITY FUTURES AND OPTIONS TRADING

A STRONG opening in futures soon gave way to concerns about the outcome of today's parliamentary debate on the Maastricht treaty before a late rally led to a firm finish.

The first trade in the December contract on the FT-SE was struck at a strong 2,733, boosted in no small way by the good overnight performance on Wall Street.

The early buying interest quickly faded as worries over Maastricht gained the upper hand and December retreated, falling to 2,719 by mid-morning, which proved to be the day's low.

Light buying thereafter helped December slowly regain momentum, as it crept gently forward for the rest of the session with a bout of strong buying activity seen in the last hour of trading which ensured a strong close.

The contract finished at 2,744, up 30 on the previous session and around 22 points above its estimated fair value premium to cash of about 17. Turnover was 7,824 contracts.

Investors showed renewed enthusiasm for traded options, sending turnover climbing to 29,054 contracts by the close with some 7,446 contracts dealt in the FT-SE 100 option.

British Aerospace, also busy in the underlying equities after a broker's recommendation, was the most active stock option with a total of 2,173 lots transacted. This was followed by BTR, in which 1,298 contracts were traded, and then by HSBC.

FT-SE Actuaries Share Indices THE UK SERIES

FT-SE 100	FT-SE MID 250	FT-A ALL-SHARE
2705.6 +17.8	2558.8 +17.0	1277.83 +8.28

	Nov 3	Nov 2	Oct 30	Oct 29	Oct 28	Year ago	1992 High	1992 Low	Since compilation High	Since compilation Low
FT-SE 100	2705.6	2687.8	2658.3	2642.3	2650.4	2534.2	2737.8	2281.0	2737.8 11/5/92	986.9 23/7/84
FT-SE Mid 250	2558.8	2541.9	2521.6	2513.8	2515.3	2530.3	2825.0	2157.8	2825.0 20/5/92	1379.4 21/1/86
FT-SE-A 350	1303.5	1294.9	1281.5	1274.5	1277.8	1235.7	1342.7	1103.1	1342.7 11/5/92	664.5 14/1/86

Hourly	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	2712.7	2702.3	2702.3	2705.7	2704.4	2702.8	2706.5	2698.1	2705.1	2713.4	2697.7
FT-SE Mid 250	2560.2	2558.1	2555.6	2554.7	2557.0	2556.1	2557.3	2556.9	2558.2	2560.7	2552.7
FT-SE-A 350	1303.4	1302.1	1301.9	1303.1	1302.8	1302.1	1303.7	1300.4	1303.3	1306.7	1300.0

Gross dividend yield (ACT at 25%) FT-SE 100:4.46%

FT-Actuaries All-Share

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Tuesday November 3 1992 Index No.	Day's Change %	Est Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est P/E Ratio (Net)	xd adj 1992 to date	Mon Nov 2 Index No	Fri Oct 30 Index No	Thu Oct 29 Index No	Year ago (approx) Index No
1	CAPITAL GOODS (174)	774.79	+0.9	7.31	5.69	17.83	29.41	767.73	759.33	755.30	814.25
2	Building Materials (23)	773.58	+0.3	6.77	7.06	20.91	35.72	771.57	755.94	750.06	985.57
3	Contracting, Construction (26)	661.17	+1.6	3.05	7.53	81.36	36.38	650.95	643.45	634.93	1069.54
4	Electricals (9)	2081.45	+0.8	7.99	7.23	16.54	108.10	2065.47	2025.45	2019.09	2481.40
5	Electronics (27)	2100.16	+1.4	7.76	4.06	16.20	49.15	2070.96	2054.06	2048.53	1713.76
6	Engineering-Aerospace (6)	288.55	+1.6	12.27	8.14	10.37	15.92	284.13	265.14	282.74	357.06
7	Engineering-General (43)	446.53	+1.4	8.84	5.25	14.46	16.03	440.55	438.09	440.53	489.64
8	Metals and Metal Forming (7)	274.77	+2.2	6.32	7.96	22.99	8.48	268.91	267.46	273.56	425.77
9	Motors (15)	319.27	-0.1	6.38	7.37	22.87	17.59	319.73	314.13	312.16	336.71
10	Other Industrials (18)	1795.59	+0.7	6.93	4.65	17.43	61.03	1782.67	1763.81	1744.79	1588.83
21	CONSUMER GROUP (192)	1671.72	+0.5	6.91	3.47	17.95	37.27	1663.63	1651.87	1647.06	1576.44
22	Brewers and Distillers (25)	1999.95	+1.2	8.31	3.69	14.52	41.53	1975.56	1957.78	1947.01	1929.55
25	Food Manufacturing (19)	1267.07	+0.1	8.34	4.20	14.90	34.48	1265.88	1271.45	1266.85	1195.18
26	Food Retailing (18)	2907.39	-1.4	8.58	3.18	15.13	55.64	2948.19	2926.04	2918.37	2424.33
27	Health and Household (26)	4424.43	+1.4	5.03	2.55	23.10	78.70	4361.36	4318.83	4321.83	3996.97
29	Hotels and Leisure (18)	1148.21	+0.2	6.65	5.94	19.22	46.03	1145.47	1136.11	1123.63	1329.97
30	Media (27)	1620.01	-0.5	6.15	3.25	20.28	38.16	1628.62	1612.44	1601.25	1510.80
31	Packaging, Paper & Printing (17)	738.55	+0.2	6.87	4.39	18.12	22.83	737.37	732.99	729.63	761.32
34	Stores (33)	1059.55	+0.2	6.80	3.44	19.49	22.12	1057.12	1049.28	1049.18	1034.91
35	Textiles (9)	694.85	+0.5	6.83	4.42	18.43	21.09	691.53	693.03	689.65	647.94
40	OTHER GROUPS (116)	1349.57	+1.1	9.20	5.02	13.61	40.82	1335.39	1318.63	1313.01	1233.71
41	Business Services (18)	1428.56	+0.2	6.19	3.57	19.78	30.70	1425.72	1404.29	1404.66	1391.69
42	Chemicals (22)	1358.14	+1.6	6.81	5.35	18.50	48.48	1336.75	1325.91	1329.91	1416.19
43	Conglomerates (10)	1352.92	+0.4	8.52	8.13	15.02	40.93	1347.77	1332.22	1323.07	1467.97
44	Transport (13)	2569.31	+1.5	7.96	4.60	15.29	76.54	2532.31	2488.16	2477.22	2298.93
45	Electricity (16)	1434.11	+2.0	14.48	5.11	8.90	55.01	1405.74	1385.29	1402.60	1207.05
46	Telephone Networks (4)	1564.21	+1.2	9.66	4.22	13.49	46.15	1545.62	1529.20	1506.13	1456.76
47	Water (11)	3175.46	-0.7	14.08	5.45	7.86	86.85	3198.50	3117.10	3099.99	2387.70
48	Miscellaneous (22)	2290.69	+1.1	5.75	4.40	21.84	56.01	2265.44	2246.81	2239.78	1803.70
49	INDUSTRIAL GROUP (482)	1343.72	+0.7	7.73	4.35	16.22	37.01	1333.74	1321.04	1316.09	1278.32
51	Oil & Gas (18)	2153.41	+0.4	6.25	6.02	20.96	97.68	2144.86	2130.21	2120.84	2392.91
59	500 SHARE INDEX (500)	1418.71	+0.7	7.58	4.52	16.62	41.76	1400.69	1395.68	1390.35	1374.21
61	FINANCIAL GROUP (83)	836.78	+0.2	-	5.25	-	31.19	834.98	821.28	810.59	766.78
62	Banks (9)	1160.66	+0.1	4.46	4.79	33.64	40.52	1159.50	1128.35	1110.16	888.49
65	Insurance (Life) (6)	1639.05	....	-	5.35	-	68.18	1638.85	1634.06	1600.73	1451.45
66	Insurance (Composite) (7)	585.46	-0.5	-	5.15	-	22.58	588.52	589.02	578.56	568.33
67	Insurance (Brokers) (10)	794.50	+1.1	9.01	7.07	14.58	42.23	785.94	786.49	794.56	1113.46
68	Merchant Banks (7)	482.82	+0.4	-	4.64	-	13.71	481.05	476.74	476.68	484.25
69	Property (30)	603.48	+1.6	9.30	6.99	14.12	24.94	593.77	588.96	590.43	897.41
70	Other Financial (14)	261.46	+1.1	7.62	6.38	17.22	9.58	258.67	256.62	257.61	251.94
71	Investment Trusts (70)	1238.28	+1.1	-	3.03	-	29.43	1225.41	1218.02	1212.33	1213.56
99	ALL-SHARE INDEX (653)	1277.83	+0.7	-	4.60	-	38.72	1269.55	1256.67	1250.26	1228.64

FT-SE Actuaries 350 Industry Baskets

Hourly	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous close	change
Constrcn	1328.1	1324.0	1324.4	1322.6	1327.8	1331.1	1332.6	1328.8	1328.2	1330.0	1310.7	+19.3
Health&H	1336.6	1333.3	1338.0	1343.1	1340.0	1342.1	1345.5	1337.4	1340.4	1339.9	1320.7	+19.2
Water	1326.9	1325.7	1321.8	1318.7	1317.1	1305.8	1310.1	1312.2	1312.3	1313.3	1322.3	-9.0
Banks	1418.1	1408.5	1404.4	1405.9	1408.8	1408.2	1407.8	1401.9	1408.9	1410.1	1408.4	+1.7

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1992. © The Financial Times Limited 1992. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited.

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
Treas 8¼pc 1993		100⅛	—	100⅞	97¾	8.23	6.01
10pc 1993‡‡		101¾	+⅛	101¾	99⅛	9.85	6.52
12½pc 1993‡‡		104⅛	+⅛	104⅛	100⅞	12.00	6.18
Funding 6pc 1993‡‡		99⅞	+⅛	99⅞	95⅛	6.01	6.18
Treas 13¾pc 1993‡‡		107⅛xd	+⅛	107⅝	103⅛	12.80	6.34
8½pc 1994		102⅜	+⅛	102⅜	96¼	8.30	6.37
14½pc 1994‡‡		119⅛	+¼	119⅛	104⅞	13.17	6.43
Exch 13½pc 1994		109⅞	+⅛	110⅞	103⅞	12.30	6.44
Treas. 10pc Ln. 1994‡‡		106¼xd	+⅛	106⅞	98⅞	9.50	6.48
Exch 12½pc 1994		109⅞	+¼	110¼	103⅛	11.50	6.59
Treas 9pc 1994‡‡		104⅛xd	+⅛	104¼	96⅝	8.61	6.57
12pc 1995		110⅞	+⅛	111⅛	102⅞	10.86	6.81
Exch 3pc Gas 90-95		94⅛	—	94⅞	85¼	3.18	6.29
10¼pc 1995		106⅞	+⅛	106⅞	99⅛	9.46	6.77
Treas 12¾pc 1995‡‡		116⅞xd	+⅛	116⅛	106⅛	11.02	6.90
14pc 1996		119⅛	+⅛	119⅞	109⅞	11.75	7.18
9pc 1992-96‡‡		103⅞	—	104½	95⅛	8.67	7.32
15¼pc 1996‡‡		124⅛	+¼	124⅞	113⅞	12.28	7.25
Exch 13¼pc 1996‡‡		118⅞xd	+⅛	118⅞	108	11.19	7.27
Conversion 10pc 1996		109⅞xd	+⅛	110⅞	98⅞	9.09	7.12
Treas 13¼pc 1997‡‡		120⅞	+⅛	121¼	109⅞	10.97	7.40
Exch 10½pc 1997		111⅞	+¼	112⅞	100⅞	9.38	7.20
Treas 8¾pc 1997‡‡		108⅛	+⅛	108⅞	94	8.38	7.16
8¾pc '97 £ts		29¼	+⅛	29⅞	25	8.28	7.11
Five to Fifteen Years							
Exch 15pc 1997		130⅛	+⅛	130⅞	117⅞	11.50	7.64
9¾pc 1998		110⅛	+⅛	110⅞	97⅛	8.84	7.32
Treas 7¼pc 1998		28¼	+⅛	28⅞	25	7.20	7.07
Treas 6¾pc 1995-98‡‡		98⅛	+⅛	98⅞	88⅞	6.87	7.14
15½pc '98‡‡		136½	+¼	136⅞	123⅛	11.44	7.88
Exch 12pc 1998		120xd	+⅛	120⅝	107⅞	10.00	7.81
Treas 9½pc 1999‡‡		106⅞	+⅛	106⅞	97⅛	8.98	7.87
Exch 12¼pc 1999		121⅛	+⅛	122⅛	109½	10.09	7.91

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
Treas 10½pc 1999		114⅞xd	+⅛	115	101⅞	9.17	7.67
Conversion 10¼pc 1999		113⅞xd	+⅛	114⅛	100⅞	9.02	7.73
9pc 2000‡‡		107¼	+¼	108⅛	94¼	8.38	7.70
Treas 13pc 2000		126¼	+⅛	127⅞	114⅞	10.28	8.24
10pc 2001		111⅛	+¼	112⅞	99⅞	8.98	8.08
14pc '98-01		127⅛xd	+¼	127⅛	115⅞	11.01	7.88
9¾pc 2002		110⅛	+¼	110⅞	98⅞	8.88	8.20
10pc 2003		111⅛	+¼	112	100⅛	8.99	8.41
Treas 11½pc 2001-04		118⅞	+⅛	119⅛	107⅛	9.71	8.41
Funding 3½pc '99-04		68⅛	+⅛	69⅛	59¼	5.14	7.09
Conversion 9½pc 2004		107⅞	+¼	108⅞	96⅞	8.82	8.46
9½pc 2005		107⅛	+¼	108⅞	95⅞	8.88	8.51
Treas 12½pc 2003-05		128¼xd	+⅞	128⅞	116⅛	9.81	8.61
8pc 2002-06‡‡		95¼	—	96⅛	85½	8.36	8.60
Treas 11¾pc 2003-07		120½	+½	121⅛	110⅞	9.78	8.71
Treas 8½pc 2007‡‡		98¼	+¼	99⅞	88⅞	8.62	8.67
13½pc '04-08		133¼	+⅛	134	123⅞	10.14	8.88
Over Fifteen Years							
9pc 2008‡‡		102⅞	+⅛	103⅞	93⅞	8.78	8.71
8pc 2009		93⅞	+⅛	94⅞	86⅛	8.58	8.75
Conv 9pc Ln 2011‡‡		101⅞	+⅛	102⅞	93⅞	8.87	8.84
Treas. 9pc 2012		101⅞	+⅛	103⅛	93⅛	8.88	8.85
9pc 2012 A		101¾	+⅛	103⅛	94¼	8.88	8.85
Treas 5½pc 2008-12‡‡		70⅞	+⅛	71⅞	62⅞	7.79	8.61
7¾pc 2012-15‡‡		90¼	+⅛	91⅛	81⅞	8.60	8.77
Exch 12pc '13-'17		127¼	+¼	138⅞	118⅞	9.40	9.08
Treas 8¾pc 2017		99⅛	+⅛	101⅛	91⅞	8.84	8.90
8¾pc 2017 A‡‡		99⅛	+⅛	101⅛	91⅛	8.87	8.94
Undated							
Consols 4pc		43¼	-⅛	44⅞	39⅞	9.17	-
War Loan 3½pc‡‡		38⅞xd	+⅛	39⅞	33⅛	8.99	-
Conv 3½pc '61 Aft		52½	+¼	53⅞	50	6.68	-
Treas 3pc '66 Aft		33¼	+¼	34⅞	29⅞	9.08	-
Consols 2½pc		28⅞	+¼	28⅝	24⅞	8.84	-
Treas 2½pc		27⅞	+¼	28	24⅞	8.97	-

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
Index - Linked	(b)					(1)	(2)
Treas. 2pc '94	(102.9)	131⅛xd	+⅛	131⅛	122¼	0.80	2.24
2pc '96	(67.9)	188¼	—	187¼	176⅛	1.76	2.44
4⅝pc '98	(135.6)	98⅛	—	99½	95⅛	3.07	3.01
2½pc '01	(78.3)	161⅛	+⅛	162⅝	139⅛	2.88	3.06
2½pc '03	(78.8)	167⅛xd	+⅛	168⅛	135	3.06	3.39
4⅜pc '04	(135.3)	98½	—	99½	94⅛	3.30	3.48
2pc '06	(69.5)	161½	—	162⅞	137⅞	3.38	3.54
2½pc '09	(78.8)	146⅞xd	+⅛	147⅞	124⅞	3.39	3.61
2½pc '11	(74.6)	151⅞	+⅛	152⅞	129⅞	3.51	3.71
2½pc '13	(89.2)	124⅞	+⅛	126⅞	106⅞	3.56	3.74
2½pc '16	(81.6)	132⅞	—	133⅞	112¾	3.60	3.75
2½pc '20	(83.0)	127⅛	+⅛	128⅞	107⅞	3.63	3.79
2½pc '24‡‡	(97.7)	106⅛	+⅛	106⅞	88⅝	3.67	3.81
4⅛pc '30‡‡	(135.1)	106⅞	+⅛	107⅞	91⅞	3.67	3.80

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for March 1992: 136.7 and for September 1992: 139.4

OTHER FIXED INTEREST

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
African Dev 11¼ 2010		115⅞	+⅛	116⅞	105⅞	9.82	9.28
Asian Dev 10¼pc 2009		109¼	+⅛	110⅞	100⅛	9.34	9.09
B'ham 11½pc 2012		113¾	—	114	102¼	10.11	9.91
Ireland Cap 8½pc '10		103	—	103	88¼	8.28	-
9pc Cap 1996		100½	—	105½	90	8.93	-
13pc '97-02		119	—	119⅞	103⅞	10.92	-
Hydro Quebec 15pc 2011		138⅞	+⅛	141⅞	130⅞	10.80	10.27
Leeds 13½pc 2006		126½	—	127¼	116¼	10.67	9.95
Liverpool 3½pc Irred		35	—	36	30	10.00	-
LCC 3pc '20 Aft		30½	—	31¾	27	9.84	-
Manchester 11½pc 2007		111¼	—	112½	103¼	10.29	9.97
Met. Wtr. 3pc 'B'		69¼	—	69¼	53	4.62	9.01
N'wide Anglia 3⅞pc 2021		120½	—	120¼	103¼	-	4.83
4⅛pc IL 2024		117¼	—	118¼	103¼	-	4.71
Utd Mex States 16½pc 2008		127¼	—	128½	121½	12.98	12.46

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LEGAL NOTICES

FORREST GRAY (TRANSPORT) LIMITED
(In Administrative Receivership)

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a Meeting of the unsecured creditors of the above-named company will be held at the Forte Post House Hotel, Lakeview, Bridge Road, Impington, Cambridge CB4 4PH, on the 16th day of November 1992 at 11.45 a.m. in the forenoon, for the purpose of having laid before it a copy of the report prepared by the administrative receivers under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on it, by, or under the Act.

Creditors are only entitled to vote if:

(a) they have delivered to us at 186 City Road, London EC1V 2NU, no later than 1200 hours on the business day before the meeting written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and

(b) there had been lodged with us any proxy which the creditor intends to use on his behalf.

Dated this 30th day of October, 1992
V. M. Barstow and I. Jacob, Joint Administrative Receivers
Creditors may obtain a copy of the report, free of charge, on application to the Joint Administrative Receivers at 186 City Road, London EC1V 2NU

HEMINGFORD INVESTMENTS PLC
(In Administrative Receivership)

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a Meeting of the unsecured creditors of the above-named company will be held at the Forte Post House Hotel, Lakeview, Bridge Road, Impington, Cambridge CB4 4PH on the 16th day of November 1992 at 10.30 a.m. in the forenoon, for the purpose of having laid before it a copy of the report prepared by the administrative receivers under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on it, by, or under the Act.

Creditors are only entitled to vote if:

(a) they have delivered to us at 186 City Road, London EC1V 2NU, no later than 1200 hours on the business day before the meeting written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and

(b) there had been lodged with us any proxy which the creditor intends to use on his behalf

Dated this 30th day of October, 1992
V. M. Barstow and I. Jacob, Joint Administrative Receivers
Creditors may obtain a copy of the report, free of charge, on application to the Joint Administrative Receivers at 186 City Road, London EC1V 2NU

DORM 1 DBCC LIMITED
(In Administrative Receivership)

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a Meeting of the unsecured creditors of the above-named company will be held at the Forte Post House Hotel, Lakeview, Bridge Road, Impington, Cambridge CB4 4PH, on the 16th day of November 1992 at 10.00 o'clock in the forenoon, for the purpose of having laid before it a copy of the report prepared by the administrative receivers under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on it, by, or under the Act.

Creditors are only entitled to vote if:

(a) they have delivered to us at 186 City Road, London EC1V 2NU, no later than 1200 hours on the business day before the meeting written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and

(b) there had been lodged with us any proxy which the creditor intends to use on his behalf.

Dated this 30th day of October, 1992
V M Barstow and I. Jacob, Joint Administrative Receivers
Creditors may obtain a copy of the report, free of charge, on application to the Joint Administrative Receivers at 186 City Road, London EC1V 2NU

NEWFLAG LIMITED
(In Administrative Receivership)
(formerly [illegible] & Harris Limited)

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a Meeting of the unsecured creditors of the above-named company will be held at the Forte Post House Hotel, Lakeview, Bridge Road, Impington, Cambridge CB4 4PH, on the 16th day of November 1992 at 10.45 a.m. in the forenoon, for the purpose of having laid before it a copy of the report prepared by the administrative receivers under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors committee to exercise the functions conferred on it, by, or under the Act.

Creditors are only entitled to vote if:

(a) they have delivered to us at 186 City Road, London EC1V 2NU, no later than 1200 hours on the business day before the meeting written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and

(b) there had been lodged with us any proxy which the creditor intends to use on his behalf

Dated this 30th day of October, 1992
V M Barstow and I. Jacob, Joint Administrative Receivers
Creditors may obtain a copy of the report, free of charge, on application to the Joint Administrative Receivers at 186 City Road, London EC1V 2NU.

DORM 3 DBCW LIMITED
(In Administrative Receivership)

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a Meeting of the unsecured creditors of the above-named company will be held at the Forte Post House Hotel, Lakeview, Bridge Road, Impington, Cambridge CB4 4PH, on the 16th day of November 1992 at 10.15 a.m. in the forenoon, for the purpose of having laid before it a copy of the report prepared by the administrative receivers under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on it, by, or under the Act.

Creditors are only entitled to vote if:

(a) they have delivered to us at 186 City Road, London EC1V 2NU, no later than 1200 hours on the business day before the meeting written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and

(b) there had been lodged with us any proxy which the creditor intends to use on his behalf

Dated this 30th day of October, 1992
V M Barstow and I. Jacob, Joint Administrative Receivers
Creditors may obtain a copy of the report, free of charge, on application to the Joint Administrative Receivers at 186 City Road, London EC1V 2NU

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LONDON SHARE SERVICE

AMERICANS

	Notes	Price £	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's
Abbott Labs	h	19⅜xd	+⅛	19⅜	14⅝	16,342	2.0
♥Allegheny & W		447p	—	451p	226p	292.3	4.2
Amdahl		528p	+9	1159p	455p	598.9	1.2
Amer Cyanamid		37¼	+⅜	37¼	28⅝	3,361	2.8
Amer Express		13¹³⁄₁₆xd	+⅛	13¹³⁄₁₆	10⅞	6,645	4.6
Amer T & T		28¾xd	+⅜	28¼	20¼	38,234	2.9
Ameritech		43½	+⅛	43½	32½	19,845	5.1
BankAmerica		27¼xd	+¼	27¼	19⅛	9,389	3.0
Bankers NY		42⅜xd	+1⅜	42⅜	28⅝	3,491	4.2
Bell Atlantic		31⅛	+⅛	31⅛	23¼	13,437	5.3
BellSouth		34⅛	+⅝	34⅛	25	16,885	5.1
♥Bethlehem Steel		8¼xd	+⅛	9⅝	5¼	746.3	–
Bowater		1371pxd	—	1579p	905p	495.6	5.5
CPC	h	32xd	–⅛	32⅛	22⅜	4,848	2.4
♥Cadiz Land Inc		108p	—	342p	108p	–	–
California Engy		909p	—	989p	591p	165.5	–
Chase Manhattan		15⅞xd	+⅞	18½	9⅛	2,370	4.8
Chrysler		17⅞xd	+⅝	17⅞	6⅛	5,226	2.1
Citicorp		10⅞xd	+⅛	11⅛	5⅜	3,855	–
Colgate-Palm		38⅛xd	–⅛	38½	25¼	6,127	2.0
Cont'l Bank		1162p	+53	1162p	499p	1,174	3.3
Dana		28⅛xd	+⅛	28⅛	14⅞	1,288	3.6
Data General		662p	–16	1804p	384p	166.2	–
♥Decora Inds		102p	—	122p	66p	–	–
Dun & Brad		37⅝	+⅛	37⅝	27⅝	6,713	3.8
Eaton		47⅜	+⅜	48¼	32½	1,835	2.9
Echlin		12¹³⁄₁₆xd	+⅛	12¹³⁄₁₆	7⅜	744.0	3.4
FPL		23¼xd	+¼	23¼	17¹³⁄₁₆	4,250	6.5
Fluor		29⅛xd	+⅛	29⅛	19¼	2,377	0.9
Ford Motor		29xd	+1½	29⅛	15	12,188	2.5
Gen Elect		51⅛xd	+1⅝	51⅛	36⅜	43,076	2.9
♥General Host		609p	—	609p	360p	–	3.7
Gillette		39½xd	+⅛	39½	23¹³⁄₁₆	4,665	1.1
Hasbro		22	—	22	12⅜	1,918	0.6
Honeywell		40⅝	—	43	32	2,812	2.6
Houston Inds		29¼	+⅛	29¼	22	3,788	6.5
IBM		44⅞xd	+1⅛	54½	41¹³⁄₁₆	25,611	6.8
Ingersoll-Rand		20	+⅛	20	12¹³⁄₁₆	2,074	2.2
Lockheed		38⅜	+⅛	38⅜	22⅜	1,683	4.4
Lowe's	h	1218p	–14	1273p	815½p	880.4	1.4
Merrill Lynch		38⅛xd	+⅜	38⅛	24⅜	3,735	2.1
Morgan (JP)		41⅛xd	+⅛	41⅛	28⅛	7,809	3.3
Morris (Philip)		60¼xd	+1¼	60⅞	37¹³⁄₁₆	46,222	2.2
NYNEX		54⅛	+⅛	54⅛	39⅝	11,243	5.3
Pall		19½	+⅛	19½	10⅞	1,698	1.2
Pennzoil		36¹³⁄₁₆xd	+⅛	36¹³⁄₁₆	23¼	1,489	6.2
Quaker Oats		44xd	+⅛	44	30	3,229	2.7
Rockwell		18⅜xd	+⅛	18¼	11½	3,782	3.5
Rep NY		29⅛xd	+⅛	29⅛	20⅝	1,527	2.1
Sears, Roebuck		27⅜xd	+⅛	28	19⅞	9,442	4.8
Sthwestern Bell		43⅞	+⅛	43⅞	31⅜	13,165	4.2
Sun Co		18¹³⁄₁₆xd	+⅛	18¹³⁄₁₆	12⅜	1,707	6.6
Tenneco		23¼xd	+⅞	25⅛	16½	2,911	4.4
Texaco		39⅛xd	+⅛	39¹³⁄₁₆	30¹³⁄₁₆	18,180	5.2
Time Warner	h	15⅛	+⅛	15½	11½	5,612	1.2
♥Unilab		344p	—	687p	320p	319.5	–
♦URS Intl. 1c		0¼p	—	1¼p	0⅛p	2.71	–
US West		24⅝	+½	24⅝	18¼	10,094	6.4
Varity		1365p	—	1365p	632p	341.2	–
Waste Manage		25⅞xd	+1⅞	26	16⅞	12,549	1.3
Whirlpool		2570pxd	+20	2780p	1786p	1,798	2.7
♥Woolworth		21½	+½	21½	13⅜	2,816	3.3

CANADIANS

	Notes	Price £	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's
♥Abbot Energy		2p	—	2p	1½p	–	–
Amer Barrick		1615p	—	1615p	1280p	2,704	0.6
Bk Montreal		25	+⅛	25	19¼	3,656	4.3
Bk Nova Scot		1296p	+62	1296p	889p	2,[illegible]	4.0
♥BC Gas		764p	—	876p	621p	–	3.9
BCE		23⅛	+⅛	24½	18⅜	7,298	5.5
♥Brascan		966p	+22	966p	704p	790.1	5.7
♥Breakwater		13½p	—	33p	6p	8.68	–
Can Imp Bk		1545p	+44	1610p	1167p	2,893	4.3
Can Pacific		812p	+41	[illegible]	[illegible]	2,589	2.0
4pc Deb		38	—	38	34	18.2	10.3
♥Derlan		286p	—	335p	221p	–	5.4
♥Echo Bay		388p	—	466p	300p	342.8	1.4
♥ECO		12p	—	42p	9½p	–	–
♥Gulf Can		287pxd	—	468p	207p	465.4	–
♥Hawker Sid		10⅛	+⅛	12⅛	9⅛	68.2	5.1
♥Hudson's Bay		1466p	+40	1667p	1118p	443.9	2.7
♥Imperial Oil		22⅜xd	+⅛	23⅛	18⅛	4,891	3.9
Inco		14⅜xd	+⅛	19⅛	12⅜	1,580	1.6
♥Intl Corona		372p	—	372p	295p	612.8	1.4
♥N A Tire Recycling		53p	+1	53p	34½p	1.85	–
Nova Corp Alberta		464pxd	+21	464p	318p	1,381	2.8
♥Rio Algom		838p	—	918p	675p	482.1	3.6
Royal Bk Can		1286p	+36	1418p	1018p	4,841	4.5
♥TVX Gold		168p	—	184p	122p	28.8	–
Toronto-Dom		876p	+26	976p	743p	2,858	4.3
♥Trans Can Pipe		848p	+24	948p	768p	1,656	6.6

BANKS

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£18⅛	+⅛	£18⅝	£12⅞	4,682	6.4	10.2
ANZ A$	g	133	+4	†197½	108	1,829	7.2	9.3
■Abbey National	†	352	+4	364	246½	4,674	4.0	12.1
■Allied Irish I£		178	–2	195	154	1,142	–	10.0
■Anglo Irish I£	hg	42	+3	†60	32	66.5	11.6	6.1
Asahi Y		465	–9	478	229	9,386	1.2	37.7
Banco Bil Viz Pta		£12⅛	—	£18⅛	£11⅛	2,948	7.3	6.0
Banco Sant Pta		£28⅛	–⅛	£30⅛	£18	2,574	5.8	6.3
■Bk Ireland I£	z	176	–2	178	141	704.9	7.2	26.5
Bank Leumi (UK)		320	—	346	320	58.8	7.6	–
■Bank Scotland	♦†	116½	+1½	†124	97	1,368	5.0	18.2
9¼pc Pf		117½	—	126½	104	117.5	10.5	–
9⅜pc Pf		122¼	+½	124¼	108	183.3	10.6	–
■Barclays		349	–10	416	274	5,460	8.3	–
Dai Ichi Kan Y		784	–2	£16⅛	450	24,463	0.6	80.0
Deutsche DM		£271	+6	£279½	£214	12,891	2.2	–
Espirito Santo		£16⅛	—	£21½	£16⅛	298.8	3.6	♦
Fuji Bank Y		880	—	1164	493	28,735	0.5	♦
■HSBC HK	W	520	–1	538	313	6,666	3.0	31.5
■HSBC (75p Shs)	W	520	–1	535	235	4,242	2.7	37.0
■Lloyds	†	465	+13	493	345	6,266	4.5	16.7
Mitsubishi Y		£11	–⅛	£11⅛	£5⅛	31,636	0.4	–
Mits Tst & Bk Y		565	–⅛	567⅛	£2⅞	8,611	0.9	9.5
Mitsui Tst & Bk Y		438	+65	692	244	5,166	1.0	18.1
Nat Aust A$		308	+7	345	288	3,839	6.6	10.8
■NatWest		399	+1	403	251	6,643	6.9	65.0
Ottoman		£158	—	£168	£130	77.8	7.3	4.9
■Ryl Bk Scotland		185	+2	205	137	1,444	6.3	50.4
Sakura Y		£9⅛	–⅛	£7⅛	£3½	18,840	0.8	42.6
Sanwa Y		£7	–⅛	£8⅛	£4⅛	28,297	0.8	38.7
■Standard Chartd		302	–7	337	364	1,186	5.3	13.0
Sumitomo Y		£8⅛	–⅛	£8⅛	£8	27,481	0.8	♦
Sumitomo Tst Y		£4⅞	–⅛	£8⅛	£3	8,861	0.9	38.7
■TSB		136½	–2½	186½	115	2,060	6.3	–
Tokai Y		£9⅛	–⅛	£9⅛	£3⅛	11,167	0.8	♦
Toyo Tst & Bk Y		365	–15	763	313	3,184	1.0	42.6
Westpac A$	g	122	+4	183	99	2,137	10.1	8.0
Yasuda Tst Bk Y		418	–16	676	303	4,885	1.0	45.4

BREWERS & DISTILLERS

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■Allied-Lyons	♦	636	+3	712	526	5,561	4.2	14.9
■Bass	♦†	871	+15	[illegible]	472	4,835	4.2	12.5
■Boddington	†	176	+2	[illegible]	[illegible]	208.8	5.0	11.2
Bulmer (HP)		351	+4	351	243	183.9	3.4	17.6
■Burn St Dist	L	130	[illegible]	161	121	61.8	4.8	♦
Burtonwood		117	+2	149	111	24.4	6.1	8.3
■Devenish (JA)	†	232	+13	261	184	124.7	3.6	13.6
4½pc Cv Pf		[illegible]	—	216	146	2.66	3.6	–
♦Eldridge,Pope A	†	71	—	107	68	12.8	4.9	16.3
Fosters A$	g	[illegible]	+1	†94½	[illegible]	1,755	2.5	♦
♦Fuller, STA		380	—	440	380	70.7	2.8	13.9
■Grand Met	†	416	+6	510	380	8,588	3.5	13.0
■Greenalls	M	330	+4	†424½	283	568.2	4.6	12.0
5.95pc Cv Pf		167½	+3	211	148	28.8	5.0	–
Greene King		482	+8	530	405	191.2	3.4	11.8
Grosvenor Inns	H	81	—	106	73	6.24	6.6	–
■Guinness	†	595	+4	644	490½	10,770	2.7	16.4
■Highland		250	+2	305	191	312.4	3.3	♦
Holt (J)	†	2500	+5	2585	2040	75.2	1.9	17.4
■Invergordon	♦†	311	—	335	265	398.2	2.8	17.5
Kirin Y		674	—	897	411	6,041	0.8	24.4
Macallan-Glen	♦†	180	+10	220	151	221.8	0.6	38.4
Macdon Martin A		488	—	620	475	56.1	2.4	11.9
Mansfield		636	—	739	610	98.9	2.9	13.6
Marston Thomp		[illegible]	+1	238	166	186.5	3.1	12.9
Matthew Clark		413	—	477	405	40.5	5.1	11.7
♦Merrydown	h	280xc	—	361	200	18.2	4.1	12.9
Morland	M	385	—	493	320	77.8	3.1	14.2
■♦Paramount		6¼	—	16¼	6½	3.14	2.1	♦
■Scott & New		432	+4	478	360	1,814	5.0	11.4
Seagram $		£17⅞	+⅛	£17⅞	£14⅛	6,736	1.8	–
■Taunton Cider	W	170	—	174	145	186.8	3.7	18.4
■Vaux	†	187	+1	224	149	257.7	6.6	13.3
■Whitbread 'A'		432	+9	488	347	2,034	5.0	12.4
♦Wiltshire		10xd	—	20	10	1.87	–	–
■Wolv & Dudley	†	630	+10	680	610	347.7	2.6	14.9
Young A		518	+8	545	[illegible]	15.1	3.7	20.9
N/V		446	+5	486	326	28.5	4.3	18.1

BUILDING MATERIALS

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
♦Albrighton		11	—	28	9	6.70	–	♦
■Anglian Grp	W	192	+1	218	188	160.7	6.0	11.2
♦BMSS		83	—	128	62	8.71	7.6	19.3
■BPB		[illegible]	+2	†195	123	659.7	6.6	44.5
Baggeridge		57	—	102	51	22.5	7.3	14.1
Blockleys	‡	48	[illegible]	89	27	18.2	‡	39.8
■Blue Circle	♦♦	172	–3	†284½	[illegible]	1,182	8.7	17.2
7¾pc Cv Pf		119	–3	154½	93	140.1	8.5	–
Breedon		64	–1	108	62	18.2	9.6	12.4
Brit Dredging		65	—	132	66	15.8	11.6	11.0
Brit Fittings	‡	46	—	†188	42	11.8	‡	–
■CRH I£	♦†	280	–1	249	[illegible]	580.9	4.7	10.6
Cakebread Rob A		15	—	48	15	8.88	–	–
Cape		188	—	238	[illegible]	95.5	7.8	10.7
8.4pc Cv Pf		350	—	535	350	6.33	3.2	–
♦Chelta[illegible]	†	[illegible]	—	120	95	4.85	6.4	11.3
♦Darby	♦	75	—	[illegible]	75	11.9	3.6	–
Epwin	†g	144	—	†211	132	28.4	6.1	11.9
Erith	‡	27	—	54	23	12.8	‡	–
■Evered Bardon	‡	38	+1	88	25	138.8	‡	19.4
■♦Explaura L/V		5	–¼	18	5	7.28	–	–
♦Freeman	‡	102	—	135	68	7.80	‡	–
Gibbs & Dandy A		29	—	36	18	1.28	–	–
Grafton I£	♦†	142½	—	151	113	22.2	6.5	7.6
■Harrison Inds		4½	—	39	3½	7.67	–	–
Helton I£		25	—	35	21½	7.18	9.8	7.1
■Hepworth	†	234	+4	437	211	497.9	7.8	10.1
Hewetson		30	—	†63	30	2.59	11.6	6.5
■Heywood Wil	♦	145	—	308	128	105.3	11.5	13.3
Cv Pf		77	–½	158	73	15.3	11.7	–
■Ibstock Johnsen	‡	46	+3	†99	37	114.9	‡	–
■ Warrants		[illegible]	—	6½	1	8.49	–	–
Johnston	‡	120	—	207	117	72.6	‡	56.5
■Kalon	♦	100	+2	113½	78	118.8	4.3	16.2
♦Kingspan I£		73½	—	78¼	60¾	19.1	4.4	9.8
Lafarge-Copp FFr		£28	—	£39¾	£27¼	1,061	4.7	♦
Latham (J)		110	—	170	[illegible]	5.54	4.6	–
Lilleshall	†	88	—	118½	86	15.8	6.4	[illegible]
9p Cv Pf		90	—	111	88	4.82	13.3	–
Manders	†	184	+1	289	180	62.1	5.1	12.8
■Marley	♦	76	—	148	57	214.5	7.4	19.2
■Marshalls	g	47	–3	†97	47	58.7	14.2	11.0
8½p Cv Pf		63½	—	†87	63	48.1	13.6	–
■Meyer		218	–3	433	[illegible]	218.8	10.1	12.6
♦Needler		61	—	89	61	11.6	5.8	35.7
■Newman-Tonks	♦	[illegible]	—	[illegible]	91	114.6	13.1	14.7
■Phoenix		24	—	38	19	3.48	–	–
■Pilkington		85	—	165	[illegible]	665.3	9.4	15.4
■Polypipe		118	—	147	93	163.5	2.2	17.8
♦Quiggots		4	—	23	3½	2.90	–	–
■RMC		480	—	669	383	947.7	5.5	18.1
♦Raeous		32	—	96	31	1.84	0.4	–
■Redland	♦	382	+6	†565	300	1,734	9.2	22.5
Roskel		67	—	101	61	10.1	8.6	9.0
■Rugby		207	+2	230	152	602.6	4.2	15.6
Russell (A)		62	—	198	61	14.6	4.6	32.7
♦SWP		3	—	8	3	0.74	–	26.7
St Gobain FFr		£61	—	£65¼	£41	4,269	4.5	11.9
Sharpe & Fisher		63	+1	98	50	13.8	8.5	–
♦Shaw (A)		60	—	58	21	4.38	3.5	6.1
Sheffield Insuls		88	—	111	70	22.9	8.2	22.6
■Spring Ram	†	102	+1	161	100	561.2	0.3	20.0

BUILDING MATERIALS - Cont.

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■Starmin		6	–½	†15	6	19.9	6.7	7.2
■Tarmac		93	–2	[illegible]	51	677.8	7.9	38.6
♦Titon	†	132	—	170	85	14.8	3.3	11.6
■Travis Perkins		149	+1	228	[illegible]	151.4	7.2	21.1
♦Tudor	‡	35	—	38	31	3.83	‡	–
■Unigroup		[illegible]	—	24	8½	3.22	–	–
Ward Group	‡	68#	—	[illegible]	62	16.8	‡	2.8
♦Waterhouse		39	—	43	33	9.53	‡	–
■Wickes		81	—	†164	53	234.7	–	–
■Wolseley	♦	436	–1	479	287	1,092	3.9	♦

BUSINESS SERVICES

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■ADT S		453	+26	533	343	535.2	–	♦
Adam & Harvey		203	—	248	193	8.89	7.2	2.6
♦Air London		58	—	127	58	5.12	8.0	♦
African Lakes		37	—	63	34	2.54	7.2	7.4
■Auto'ted Sec	†	138	–4	152	81	156.6	4.7	11.2
■BET	♦g	105	+1½	†288	87	888.7	8.3	15.4
■BNB Res		46	—	108	46	11.1	14.2	5.4
BPP	♦†	283	+3	†293	206	86.6	3.5	14.9
Barbour Index		225	—	280	[illegible]	37.5	4.3	16.4
■Boustead		[illegible]	—	30½	13	12.8	6.4	30.0
■Bridgend	‡	17xd	—	33	17	4.99	‡	6.6
■Brit Data Mangt	L	131	—	165	111	80.5	4.1	10.9
Brooks Service	♦	61	—	161	61	7.38	‡	19.4
■CRT		88	—	142	87	48.3	3.6	10.1
Capita	†	373	+7	422	262	66.2	1.9	21.4
■Casket		35½	—	36	19	28.3	1.9	20.9
Chiltern Capital A$		49½	—	270	25½	37.8	–	–
Christie Group		22	—	39	22	5.16	–	–
♦Comae		24	—	48	24	1.94	–	–
■♦Corp Servs		6½	–½	31	6½	1.93	–	–
Dart		58	—	†123	58	8.84	7.6	6.6
■Davis Service		201	+2	216	145	168.6	5.3	15.3
♦EW Fact	†	98	—	115	90	4.83	6.4	6.7
■Gardiner		15	[illegible]	67	11	16.1	11.8	4.7
Gardner DC		42	—	†48	21	10.0	–	–
■Hays	♦	209	+2	209	163	632.9	2.9	♦
■Hogg Robinson		[illegible]	–1	251	167½	124.9	4.8	13.0
Holmes Protect S		45	—	143½	43	19.8	–	–
♥Hutch Whmp HK$	‡	138	—	144	98	4,598	‡	18.5
ISS B DKr		£91¼	—	£94¼	£88⅞	382.4	1.2	13.0
■Inchcape	†	507	–8	†535	375	2,600	3.3	21.5
Johnson Cleaners		[illegible]	—	608	561	117.3	6.7	12.6
■Lep		3⅛	—	18½	3¼	34.8	–	–
MITIE		164	–1	210	160	19.1	2.0	15.7
Manpower $		992	—	[illegible]	662	738.1	–	–
■NMW Comps	♦	18½	—	69	17½	3.99	–	–
■Page (M)		33	—	44	32½	18.7	7.3	9.2
♦Penna		104	—	105	69	9.18	1.4	49.1
♦Prime People 2p	n	4¼#	—	8	3⅛	1.68	–	–
■Proudfoot (A)		70	+2	308	66	48.3	33.3	1.7
RCO	†	380	—	453	365	38.1	4.7	12.6
REA		128	—	169	125	14.7	4.2	–
Reed Exec		46	—	81	45	20.2	–	–
♦Reliance Sec	h	141	–14	165	117	21.7	4.5	13.8
♦Rentaminster		4	—	13	4	1.19	–	–
■Rentokil	†	195	+1½	198½	134	1,863	1.2	28.6
Rolfe & Nolan		232	—	238	180	12.5	3.7	13.9
■Salvesen (C)		327	+6	327	234	937.2	2.9	18.2
♦Scott Pickford		28	—	43	28	1.92	3.7	8.0
■Securiguard	†	149	—	172	98	40.0	7.6	8.1
■♦Select Appts		5	–½	12	1¼	8.89	–	–
Serco	†	645	+2	†648	585	74.6	2.5	20.7
♦Sherwood Comp	†	287	—	283	132	18.1	3.2	8.7
■Sketchley		67xd	—	187	62½	20.2	4.1	11.8
Warner Howard		340	–1	380	270	78.4	2.3	20.0
Welpac		46	—	81	46	20.5	1.7	–
■Wills Group		10	—	†12	7½	8.83	1.3	12.6

CHEMICALS

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
Akzo Fl		£49½	+2½	£56½	£39½	2,276	4.5	11.2
■Allied Colloids	♦	213	–2	227½	182	555.8	2.4	17.3
■Anglo Utd		6	—	†31½	6	18.9	18.9	–
BASF DM		£97½	+2	£98½	£73½	4,865	6.4	–
■BOC	♦♦	723	+16	745	583	3,418	4.1	18.6
■BTP	♦	290	–1	†299	201	195.2	5.6	14.5
BTR Nylex A$	†	105	+2	130	87	2,578	3.7	19.0
Bayer DM		£105½	+⅛	£112	£90½	5,882	6.0	–
■Brent	†	134	—	†163	115	60.9	7.3	63.4
■British Vita	♦†g	228	—	†284	212	457.2	4.1	15.0
■Caird		38	–1	95	35	21.8	9.6	9.0
7p Cv Pf '09		59½	–½	99	59	78.7	16.6	–
♦Cambridge Iso $		39	—	44	21	3.66	–	–
■Canning (W)		128	+4	178	112	39.9	7.6	10.3
♦Chemex		1¼	—	†4	1	1.37	–	–
■Courtaulds		585	+6	615	371	2,339	3.4	13.2
■Croda		215	–5	218	142	278.1	4.7	16.2
Doeflex	†	134	—	150	70	12.4	4.3	11.8
■Ellis & Everard		171	+1	211	152	105.7	5.5	13.7
Engelhard $	h	£160	+67	£168	1036	1,468	1.5	–
European Colour		8	—	14	7	2.09	9.8	–
■Evode		57	+1	75	43	41.5	8.4	–
7p Rd Pf		57	+2	69	56	27.2	13.9	–
Halstead (J)		490	+5	495	343	78.7	3.3	♦
■Hartons		4½	—	16	4½	3.19	–	–
7pc Pf		17	—	46	15	1.61	–	–
■Hickson	†	160	—	†227	156	267.9	6.5	12.0
Hoechst DM		£97¾	+2	£101	£75½	5,707	7.5	–
■ICI		1060	+24	1419	1002	7,596	6.9	25.6
■Laporte	†	588	–4	665	434	921.5	4.2	16.1
■Leigh Ints		145	—	229	139	60.5	7.5	9.0
6pc Cv Rd Pf		122	—	259	120	7.49	6.6	–
■MTM	‡	38	—	305	19	26.7	‡	6.0
Montedison L		610	—	688	447	4,414	0.4	–
Perstorp SKr	h	£16⅛	—	£22¾	£16⅞	91.7	2.3	22.8
■Plysu		272	–8	301	231	128.1	2.9	18.5
Porvair	†g	130	—	†168	130	21.8	3.3	14.0
Schering DM		£266	—	£306	£243½	2,055	1.7	–
■Sutcliffe Speak		6½	—	17	4½	14.6	–	–
■Wardle Storeys		417	—	482	323	189.7	6.1	18.5
Wolstenholme	†	330	–5	360	270	23.4	0.9	14.6
■Yorkshire	†h	313	+2	330	253	110.5	3.1	10.3
■Yule Catto	†	254	+1	275	214	189.0	3.1	14.2

CONGLOMERATES

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
AGA SKr		£25½	+⅛	£28⅞	£24½	282.8	3.3	12.4
Amer Fms A FM		673	—	965	665	44.6	2.7	–
Bibby (J)	g	121xr	+1	†161	[illegible]	168.2	10.7	6.2
Bodycote	♦†	400	—	430	361	139.7	2.7	16.1
Brierley Invs NZ$		26	+1	33	23	761.6	10.7	♦
CSR A$		185	+3	212	141	1,382	5.5	–
■Cannon St Invs	‡	2⅛	+⅛	†30	2	2.59	‡	–
Chillington		23	—	38	19	6.54	2.9	♦
Crean (J) Uts I£		255xd	—	370	245	33.1	10.4	6.5
Daimler-Benz DM	♦	£221	—	£277½	£206	10,287	3.1	–
♦Ensor	‡	8	—	34	8	1.81	‡	4.9
Fletcher Chlge NZ$		87	+2	119	65	862.3	6.1	–
Gieves		23	—	59	[illegible]	3.14	–	18.6
■Goode Durrant		73	—	97	66	39.8	9.9	12.6
■Grampian	♦	95	+2	136	70	67.5	7.6	12.7
■Hanson	♦	231¼	+1½	244½	184½	11,179	8.3	14.0
■ 9½pc Cnv		£111¼	+¼	£112⅛	£97¾	68.7	8.5	–
■ Warrants		19	+¼	31	17	39.4	–	–
■Harrisons & Cros		131	–3	167	104	605.4	8.2	22.6
Jardine Hdg $		455	–6	481	259	3,413	2.1	18.4
Jourdan (T)		23	—	38	23	4.35	8.9	–
■Lonrho	♦‡	68½	+1½	186	57	453.8	‡	–
■MB Caradon	♦†	271	—	†308	200	1,238	4.2	21.2
7¼p Cv Pf		140	+3	166	108½	252.0	6.9	–
Mosaic		66	—	845	67	10.8	20.8	3.6
■Porter Chadburn		55	—	†85	24	34.6	12.8	8.4
■Reece		3½	—	[illegible]	3½	4.61	–	12.2
Ropner		104	+1	[illegible]	97	6.66	10.6	7.4
A		100	—	122	96	10.6	11.0	7.2
■Sale Tilney		3½	—	14	3	1.01	–	–
■Scot Heritable		3½	—	17	2½	1.28	–	–
Sime Darby M$		121	+4	[illegible]	90	1,693	3.5	15.7
Tollgate Fl		13	—	38	[illegible]	4.28	20.8	6.1
■Trafalgar Hou	M	64	+½	†160	30	425.0	9.5	4.8
■ A		60½	[illegible]	[illegible]	35	153.5	–	–
■Wassall	♦†h	189	[illegible]	189	118½	281.6	1.4	21.7

CONTRACTING & CONSTRUCTION

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■AMEC	‡	64	+2	†182	53	169.1	‡	7.7
6½p Cv Pf		69	+4	†88	65	182.7	11.1	–
♥Amco Corp		51	—	66	48	5.50	10.3	8.3
■Abbey I£		65	—	75	60	25.2	8.2	22.2
♦Allen		61	—	128	54	13.6	10.9	6.5
■Andrews Sykes		140	—	166	125	20.8	4.2	–
■Anglia Sec		6½	—	27	2½	2.81	–	–
Ashtead		121	+2	†192	85	27.2	4.5	16.2
■Avonside	L	72	—	141	64	30.8	10.7	6.8
Bailey (B)		16	—	27	15	1.57	4.9	–
Ball (AH)		135	—	180	108	12.3	6.9	14.9
♦Banner Homes		15	—	51	14	1.98	–	–
■Barcom	L	66	—	118	66	12.7	7.4	–
♦Baris	♦	53	—	86	51	3.77	‡	4.9
■Barratt Devs		77	+3	95	34	138.8	3.6	♦
■Bellway		238	—	†369	193	94.8	5.9	16.5
■Bellwinch		22	—	39	14	3.82	–	–
■Berkeley		258	—	†345	188	163.3	2.7	18.4
Bett Bros	‡	49	—	109	49	7.35	‡	–
■Birse		22½	+½	88	11	14.9	9.6	–
■Boot (H)	Hi	205xd	+10	225	140½	53.2	3.5	11.2
BB & EA		315	—	543	315	33.3	–	–
♦Brandon Hire		24	+1	40	22	2.49	0.5	–
■Bryant		93	+1	116	60	242.3	8.9	18.4
CALA		40	—	86	38	18.1	7.1	–
♦CRP Leisure		12	—	38	12	1.92	–	–
Campbell & Arm		18	—	65	18	2.80	14.8	–
■Costain	‡	26½	+1	†82	30	60.9	‡	–
■Countryside	g	78	–2	†143	51	47.4	6.9	9.4
■Crest Nichol		33	—	66	23	25.2	–	–
5½pc Cv Pf		41	+1	65	39½	17.1	17.9	–
■Croston		7	—	19	6	1.32	–	–
Cussins		28	—	†58	14	3.99	–	–
Douglas Tyson		29	—	45	24	16.3	5.5	6.3
■♦Dunton		3½	—	6	0¼	1.67	–	–
EBC	‡	87	—	128	87	8.69	‡	7.6
■Edmond	‡	16½	—	45	12	6.70	‡	6.6
♦Eve		240	—	267	220	23.6	5.2	11.4
■Galliford		45	—	79	42	38.8	12.7	♦
Gleeson (MJ)		656	+45	925	575	65.8	2.6	♦
♦Green (E)		80xd	—	125	80	8.44	11.7	11.0
■♦Guardian		6	–1	20	6	1.14	–	–
Havelock Europe	‡	36	—	99	32	8.34	‡	–
■Hewden-Stuart	‡	81	+3	114	67	148.2	5.2	18.9
■Higgs & Hill	♦‡	38xd	+½	†105	29	18.7	‡	6.8
How	‡	27	–1	39	23	11.1	‡	9.3
Howard		14	—	28	10	3.52	4.6	–
Jackson	‡	35	—	58	35	7.51	‡	–
Jarvis	‡	28	—	43	26	6.46	‡	–
Kajima Y		420	—	639	302	4,637	1.6	15.8
Laing (J)	♦	173	–5	249	109	79.1	6.9	9.0
■ A N/V		173	–5	249	109	74.6	6.9	9.0
■Lilley	‡	7¼	—	35	3½	16.8	‡	2.4
♦Lon & Clydes		82	—	122	80	7.44	11.4	6.1
■Lovell (YJ)	‡	13	—	28	4½	10.8	‡	–
■McAlpine (A)	‡	93	+3	†219	76	69.3	‡	6.5
■McCarthy & St	g	32	—	†75	25	22.8	4.2	–
McLaughlin & H		45	+1	75	35	2.49	–	–
Maunders (J)		118	+2	135	101	27.1	6.0	10.1
■Melville	‡	8	—	34	8	7.88	‡	1.7
♦Mission		6	—	14	5	1.01	–	–
■Mowlem (J)	‡	84	—	†171	52	89.6	‡	–
■NSM		30	+4	44	18	6.17	–	–
■Persimmon	♦	191	+4	†327	146	177.4	6.0	15.7
Pochins		£13½	+⅛	£15⅛	£11½	13.9	2.9	♦
Prowting		82	—	155	80	52.8	6.1	18.6
■Raine Inds		98	–1	†137	57	160.7	6.9	15.0
Rebicon		103	—	†132	85	10.3	–	–
♦Severfield-Rve		29	—	48	26	3.08	–	5.2
♦Sherill	†	50	—	78	53	3.84	3.4	18.5
♦Shorco		59	—	86	58	2.82	11.8	9.1
Sindall (Wm)	‡	76	—	148	73	5.49	‡	10.9
Smart (J)	†	208	+6	272	188	21.6	5.1	7.5
Tay Homes		133	—	238	129	29.2	5.9	♦
■Taylor Wood	‡	81	+6	†143	34	330.5	‡	11.4
Tilbury Douglas		442	+1	480	398	149.5	10.0	14.6
♦Torex Hire		19	—	48	18	1.81	2.8	–
Try	†	21	—	†58	20	9.88	‡	2.9
Vibroplant		45	—	105	45	21.2	10.4	7.0
Ward Hldgs	‡	14	—	55	12	7.36	‡	–
♦Wescol		12	—	18	9	1.26	–	–

CONTRACTING & CONSTRUCTION - Cont.

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■Westbury		67	+1	†129	45	44.5	17.9	–
♦West Scaffdg		6	—	†18	6	3.02	–	–
■♦Westport		2½	—	3½	1¾	2.90	–	8.9
■Wilson Bowden		303	+3	†401	215	236.1	3.8	15.5
■Wilson (Con)		142	+5	221	96	289.9	3.7	22.5
■Wimpey (G)	†	101	—	189	65	291.2	6.9	38.8

ELECTRICALS

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
Arcolectric A NV	†	46	–2	48	30	2.38	3.2	9.7
Arlen		14	—	22	12	4.21	–	–
ASEA B SKr		£30⅛	+⅛	£37⅜	£26⅜	879.5	2.1	15.4
■BICC		253	+2	369	207	844.5	10.1	14.8
Cap Fin 10¾pc		110	+3	121	90	194.7	9.8	–
Beales Hunter		225	—	†292	219	22.1	5.5	10.2
■Benn't & F'tain		3¼	—	20	2	3.98	–	–
■Bulgin A		5½	—	6½	5	1.43	2.4	–
Bernfeld	♦g	165	–3	†228	142	98.6	4.6	23.7
■Chloride		9¼	–¼	14½	7	22.0	–	–
Clarke (T)		78	—	104	70	11.2	11.7	10.9
Dale		89	+3	106	55	18.9	8.5	8.0
■Delta	♦	395	+4	505	331	583.7	4.7	15.7
♦Denmans	♦†	189	—	190	148	7.80	4.3	8.1
Dewhurst A	†	35	—	45	35	2.52	6.9	7.5
■Dowding & M		44	—	66	44	63.7	7.6	14.5
Electrolux B SKr		£18½	+⅛	£27	£15½	1,436	7.1	21.9
■Emess	♦‡	8½	—	25½	7	9.01	‡	–
6.25p Pf		23xd	—	58	22	18.8	36.2	–
Ericsson (LM) SKr		£13⅛	+⅛	£14⅜	£9	2,459	2.8	35.9
Fujitsu Y		292	—	358	217	5,294	1.8	–
♦Hiclare		45	—	57	45	1.31	1.5	14.3
Jones Stroud		253	—	273	190	46.8	4.2	12.4
♥Johnson El HK$		122	—	131	63	375.8	1.2	42.0
■Kembrey		18	—	21	10	2.95	5.0	3.8
■Kenwood	W	246	+2	299	206	91.0	4.0	13.1
♦LPA Inds		45	—	85	45	3.76	10.4	11.9
Lec Refrig		280	—	315	260	15.7	7.4	19.9
■Maddox		7¾	–½	12¼	6½	34.8	–	–
♦Magnetic Mats	‡	56	—	61	51	10.5	‡	38.3
♦Menvier-Swain		490	—	495	305	67.2	2.5	16.5
Mitsub Elect Y	†	229	+1	250	165	4,903	2.2	♦
Motorola $		£62⅛	+⅛	£62⅛	£34⅞	8,298	0.8	–
NEC Y		365	+6	608	293	5,454	1.4	69.5
Neotronics	†♦	121	—	163	115	31.7	2.8	16.3
Nokia Pf FM		748	—	921	475	47.8	5.0	–
■Oxford Inst		206	+1	254	165	99.3	2.8	17.4
Philips Fl		£7	—	£11⅞	£5⅞	2,145	–	–
Philips Fin 5¾pc		£92	—	£92	£70	11.8	6.3	–
Pifco		330	—	363	310	16.4	3.1	28.4
A		290	—	358	290	18.0	3.6	24.8
Scholes	♦	101	—	134	92	36.3	6.6	19.8
Sony Y		£21⅛	+⅛	£27½	£14⅜	7,881	2.4	8.6
TDK Y		£16⅞	–⅛	£19⅞	£12¼	2,219	1.5	19.1
Thorpe (FW)		103	—	119	88	21.3	3.2	10.6
Toshiba Y		369	—	389	217	9,823	1.7	17.3
Unidare I£		290	—	389	250	37.2	7.5	10.2
Volex		315	+6	367	260	68.2	7.2	20.0
Watn Select		10	—	13	10	1.58	–	–
Wholesale Ftg		167	—	267	153	22.5	9.9	13.4

ELECTRICITY

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
♥China Light HK$		301	–10	311	180	4,993	2.4	–
■Eastern	♦	389	+2	394	265	1,039	6.6	10.2
■East Midlands	♦	369	+3	403	273	848.4	6.9	7.6
■London		414	—	422	280	902.8	6.4	8.2
■Manweb		488	–1	498	324	541.5	5.3	7.1
■Midlands	♦	433	+3	438	287	905.8	6.3	9.1
■National Power	♦	282	+13	285	188	3,339	4.6	9.1
■Northern	♦	435	+2	440	295	635.2	5.7	7.3
■Norweb		422	+4	443	298	728.9	6.6	8.3
■PowerGen		266	+17	266	190	2,089	4.6	9.2
■Scot Hydro		239	+3	239	143	1,123	4.6	11.6
■Scottish Power	♦	234	—	237	142	2,233	4.9	10.9
■Seeboard		429	+3	430	287	542.8	6.4	7.9
■Southern	♦	399	–2	412½	270	1,874	5.9	7.9
■South Wales		476	+4	485	313	483.8	6.4	8.2
■South Western		434	–2	438	283	621.8	6.6	7.9
■Yorkshire		460	+6	465	331	959.4	6.1	8.7

ELECTRONICS

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■AB Elect		57	+1	100	45	16.3	–	–
■ACT		166	+4	167	135	206.9	3.6	18.3
♦Acal		221	—	231	190	31.9	3.5	17.2
♦Acorn Comp		34½	+1½	47½	8	22.8	–	–
Admiral	†	350	—	363	298	38.1	1.6	18.1
Alba		102	—	138	94	47.2	6.2	13.0
■Alphameric		17	+½	73	7	4.37	–	–
■Amstrad		27½	–½	44	19	156.3	1.9	–
■Astec (BSR)		39	—	34½	12	68.2	–	–
■Betacom		14	—	28	13½	11.0	–	–
■Bick	†	439	—	439	314	97.7	2.7	17.9
♦Borland $		2100	–60	4575	1600	598.3	–	–
■Bowthorpe	♦†	271xd	+5	284	205	493.2	3.0	18.6
Brit Thornton		9	—	†13	9	0.95	–	–
♦Cml Micro		211	—	269	210	38.7	2.3	13.2
Comp People	♦‡	88	—	110	82	9.60	‡	3.8
Control Tech		182	–2	238	182	60.2	4.6	21.8
♦Cranbrook		8	—	19	5	0.79	–	–
■Cray	g	65	—	89	60½	190.8	0.7	30.1
Daneline	‡	18	—	38	10	2.89	3.4	–
■Diploma	†	316	+1	375	283	172.4	3.6	18.4
Domino Print	†	395	+7	†448	376	86.4	2.2	18.2
♦Dreck		909	—	1515	750	67.3	1.4	19.5
■♦EIT		14	–1	29	12	7.09	–	–
■Electrocomps	♦	309	+4	323	233	672.5	2.9	18.7
■Electron House		36	—	47	28	9.99	8.7	13.6
Elec Data Proc	†	405	—	545	285	38.7	1.2	12.6
■Enterprise Comp	g	14½	—	38	12	16.7	9.2	–
■Eurotherm	†	399	–1	415	292	174.1	2.4	24.7
■Farnell	†	315xd	+5	335	227	484.4	2.4	17.4
♦Feedback		27	—	40	18	2.59	–	–
■Ferranti		6½	—	13	3½	63.9	–	–
♦Forward		80	—	84	71	8.01	4.2	14.1
■Forward Tech	♦	21	—	59½	10	7.14	–	–
■GEC		248	+4½	260	183	6,757	5.1	13.4
■Graseby		141	—	247	128	60.8	10.3	12.2
♦Gresham Tele	♦	38	—	42	6	8.59	0.8	29.8
Harland Simon		208	—	590	13	3.82	15.0	1.6
Hewlett-Packard $		£39⅛	+1½	£48⅛	£27⅞	6,827	1.3	–
■Hoskyns		447	+1	447	305	417.3	0.7	66.3
♦INSTEM	†	161	—	135	75	4.64	6.5	6.4
■ISA Intl	†	77xd	—	95	40	22.8	2.4	14.9
■Indl Cntrl Servs	Lo	138	+1	165	116	66.8	3.8	19.3
■Kalamazoo	‡	36½	—	40	29	5.82	9.2	25.1
♦Kewill Syst		90	—	319	78	8.96	–	4.0
Kode Intl	†g	107	—	†129½	92	9.94	5.0	14.2
♦Learmonth & B		105	–1	129	92	14.4	–	–
Lexicon $		8	—	15	8	0.71	2.0	11.2
■Logica		170	—	232	130	184.2	2.9	♦
♦Lynx	‡	35	—	49	26	2.78	‡	9.3
♦MMT Comp	†	110	—	111	78	11.7	3.9	19.0
♦MTL Instr	†	290	—	379	235	48.7	1.7	18.2
Macro 4	g	465	—	465	371	118.4	3.4	18.4
Micro Focus	♦	2000	+10	2575	1400	310.9	–	26.0
■♦Microvitec		39	–½	39	13	18.2	–	–
■Misys		274	—	289	201	180.4	3.0	15.4
Molynx		34	—	†72	34	6.41	15.7	3.2
Multitone		111	—	117	82	16.7	3.6	14.9
Nesco Invs		17	—	23	17	1.19	–	18.7
Newmark (L)		41	—	65	32	1.92	–	–
Norsk Data A NKr		60	—	160	40	11.9	–	–
Northamber		31	—	59	31	8.51	2.2	–
■P & P	‡	28	—	60	26	18.5	‡	10.0
P-E Intl	‡	55	—	127	46	12.8	‡	–
♦Pacer Syst $		48	—	51	48	1.29	7.6	–
■Peek		42	—	69	43	46.1	10.6	12.4
♦Pegasus		130	—	169	130	8.25	12.4	8.2
♦Polar		110	—	137	104	9.22	5.1	16.3
Pressac		71xd	—	†90	63	16.1	4.5	♦
Prestwick		60xd	—	75	60	10.7	3.8	–
7¼pc Cv Pf		86	—	113	78	2.65	11.0	–
■Process Syst $		4	—	7	4	2.15	–	–
■♦Psion		69	+5	230	65	18.9	3.9	–
■Racal		137	+1	160	120	438.5	–	18.6
■Radamec		41	—	46	26	7.36	1.6	24.1
♦Radius		31	—	60	26	6.44	11.5	23.1
♦Real Time		69	—	115	69	4.63	6.5	8.3
♦Reflex Invs I£		61½	+2	72	11	7.99	–	–
♦Riva		20	—	25	10	5.29	–	–
Rodime		5	+¼	8	1¾	7.11	–	–
Sage	♦†	457	—	†480	328	87.5	2.5	16.8
Sanderson	†	287	—	290	107	19.2	6.6	8.6
■Scantronic		47	—	69	44	15.1	6.4	18.9
Sema	†	310	+6	315	179	282.1	1.1	26.7
Servomex	†	214	—	274	152	26.8	3.6	14.7
Siemens DM		£238½	—	£243¼	£206½	12,894	2.2	–
♦Soundtracs		34	—	60	29	3.49	6.6	9.2
♦Standard Pltd		73	—	98	55	2.95	–	–
Star Computer		36	—	46	21	2.36	–	20.1
♦TDS Circts		4½	—	8	3	0.41	–	–
TGI		37	—	62	36	7.94	3.6	15.9
■Telemetrix		63	–1	65	30	65.1	1.3	22.0
Trace Comps		31	—	36	21	4.24	6.2	♦
Tunstall	†	296	—	305	180	47.1	2.4	15.7
■Unitech	♦	143	+1	238	123	97.7	8.5	18.1
■Vega	L	111	—	138	111	15.7	2.7	18.7
■♦Vistec		22	—	27	13	25.0	1.8	18.7
Vtech		65	+1	84	48	105.8	7.4	8.7

ENGINEERING – AEROSPACE

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
AIM		127	—	280	122	17.7	6.6	9.0
■Brit Aerospace	‡	148½	+6½	†379	100	564.2	‡	3.2
7¾p Cv Pf		76½	+2½	95¼	56½	280.7	13.5	–
■FR	†	183	—	235	163	136.4	4.9	8.7
■Hunting	♦	165xd	—	201	149	124.3	8.1	12.8
8¼pc Cv Pf		86	—	100	77	39.0	12.8	–
Ipeco	†	78	—	98	74	21.7	5.8	9.4
■ML Hldgs		23	—	54	14	11.5	10.7	18.0
■Rolls-Royce		138	—	176	120	1,257	7.4	24.6
■Smiths Inds	g	323xd	+6	336	255	953.5	4.6	13.2
♦UMECO		25	—	59	25	1.87	9.3	9.0
■Westland		115	—	129	93	186.6	4.6	7.4

ENGINEERING – GENERAL

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■APV	♦	89	+3	136	76	280.8	8.1	16.1
■Adwest		104	—	139	86	67.8	9.0	♦
■Aerospace Eng		10	—	33	5	3.69	13.3	6.1
■Alvis		15	—	62	9	8.25	19.6	4.7
Atlas Cop B SKr		£25⅞	+⅛	£31½	£22	395.8	3.3	16.9
♦Atlas Conv		535	—	680	445	44.4	3.2	11.0
■BM		84	+7	†417	58	199.5	7.1	4.0
BSS	♦g	340	+1	†465	236	67.5	6.8	11.2
■Babcock Intl	‡	39½xd	+2	70	28½	184.9	‡	6.3
■Bailey (CH)		5½	—	7½	3½	3.82	–	–
■Barry Wehmiller		165	+6	†171	115	78.4	5.4	♦
Beauford	‡	20½	—	35	15	2.37	‡	–
7p Cv Rd Pf		30	—	47	20	0.30	–	–
■Benson		17	—	†22½	13	22.1	0.8	15.9
■Beverley	‡	12	—	46	8	3.96	‡	–
Black & Decker $		£11⅞	+⅛	£16¼	£8⅞	686.4	2.1	–
■♦Black & Edg		0¼	—	1½	0½	3.60	–	–
Bogod A		23	—	25	18	1.11	4.1	8.3
Booth Inds		41	–1	84	41	1.84	10.4	2.5
■Brammer		194	—	274	193	82.4	6.9	13.3
■Brasway		15½	—	28	13	12.8	5.0	14.9
■Bridon	‡	61	—	103	34	34.4	‡	–
Bridport-Gundry		58	—	82	38	5.61	9.9	♦
■Bristol Channel		5	+¼	8½	3½	3.99	–	–
Bromsgrove		73	—	†128½	71	49.5	7.3	8.4
■Brooks Tool	‡	6	—	16	3	2.06	‡	–
■Bullough	♦	98	–1	174	97	117.3	8.2	9.6
Carclo		142	—	164	130	66.3	7.3	12.2
Clayhithe		37	—	55	33	8.18	9.0	–
9½pc Cv 2000–1		£66½xd	—	£74½	£62½	5.42	14.3	–
Clayton		108	—	148	93	2.38	3.7	–
Clyde Blowers		385	—	393	221	3.65	2.7	31.9
Concentric	§	345	+3	†353	252	93.5	4.3	17.9
♦Dickie (J)		35	—	27	18	1.68	–	4.2
■Dobson Park	♦	47	—	88	46	57.0	16.3	7.3
Dyson (J & J)		92	—	104	90	1.52	7.2	13.2
A		57	—	66	54	8.67	11.7	8.2
EIS	†	360	—	†418	360	185.6	4.3	13.6
■Eadie	N	15	—	24	10½	7.68	4.4	–
Elliott (B)		3#	—	24	3	1.82	–	–

ENGINEERING – GENERAL - Cont.

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■FKI	♦	86	+1	88	51	278.9	3.6	18.6
■Fairey	♦†	424	—	432	302	158.3	2.8	14.4
■Fenner	‡	65	—	108	63	28.6	‡	26.3
■Ferrum		24	+1	†51	19	7.81	13.9	6.5
Fife Indmar	‡	46	—	61	38	4.84	‡	6.2
■Folkes N/V		43	—	51	41	13.2	7.4	8.7
GEI Intl		67	+1	115	64	24.3	14.6	16.6
■Haden Mac	♦†	23½	+½	125½	23	28.5	‡	3.7
♦Hadleigh Inds		45	—	80	43	3.25	3.7	–
Hall Eng		106	—	168	106	31.8	10.9	9.5
■Halma	♦	183	+3	186	148	282.8	1.6	24.0
■Hampson Inds		35	—	56	29	20.6	9.0	9.7
6½p Net Pf		71	—	89	67	5.83	12.2	–
Hay (N)	‡	23	—	41	17	3.45	‡	–
Hill & Smith	♦h	90	—	147	89	28.4	8.1	10.1
■♦Hobson		7½	—	†9	3	6.05	–	–
■Hopkinsons	‡	32	—	80	29	25.4	‡	9.3
■Howden		49	—	†72½	32	186.7	5.4	8.4
■IMI	♦	232	+6	306	210	751.9	5.7	16.0
Jones & Shipman		18	—	62	14	2.19	–	–
Kvaerner B NKr		£15⅜	—	£21⅞	£10⅛	166.7	1.9	–
Locker (T)		15	—	25	13	1.59	8.9	47.2
A		12	—	18	10	3.89	11.1	37.8
■MS Intl		29	—	39	19	7.87	11.5	26.6
■Mayflower	Z	31	—	39	31	38.3	1.7	15.3
■Meggitt	†	77	—	†108	65	169.5	6.2	11.5
■Metalrax	†h	99	—	121	90	72.1	4.8	13.0
■Mtn & Allied		16½	–½	22½	15	4.75	0.5	–
Molins	†	357	—	382	295	109.7	4.8	9.5
Neepsend		19	—	31	18	4.57	10.5	–
♦PCT		140	—	†165	136	10.7	6.7	12.7
♦Plasmec	♦†	86	—	91	48	3.99	3.9	11.0
■♦Platon Intl		27	—	34	22	2.88	–	–
■Powerscreen	†	283	+13	289	204	243.8	2.8	15.9
■Prospect Inds	†	15⅜	—	81	15¼	27.5	3.4	5.9
Proteam		123	—	136	98	29.4	3.0	15.2
■Ransomes		14	—	38	6	7.93	–	–
8¼p Pf		29	—	58	21	18.4	34.4	–
Record		42	—	†109	40	14.8	11.4	6.1
■Renold		51	—	66	44	33.4	2.8	–
Richardson West	†	91	—	92	61	13.4	7.6	12.2
Rotork	†	307	—	308	258	182.9	3.7	16.5
♦SEP Intl	M	15	—	29	14	6.29	5.4	–
SKF SKr		£7	+⅛	£12	£5⅞	446.2	6.4	–
■Senior	♦	66	—	†96	58½	157.1	6.4	10.9
■Siebe	h	345	+5	365	255½	1,364	3.5	15.5
Silvermines I£		28	—	45	21	9.15	10.7	–
■Sixon		82	+6	304	78	92.5	22.8	12.1
■600 Group	♦	34	+1	63	27	18.3	9.8	–
■Spirax-Sarco		291	—	306	221	220.3	4.1	17.4
Sterling Inds		138	—	131	102	33.6	8.2	16.4
♦Sykes-Pick		75	—	85	55	7.83	10.4	13.9
Syltone		285	—	300	235	20.8	4.9	11.8
■TI Group	♦	369	+6	372	251	1,458	4.4	18.8
■TT Group	♦†	184	+1	230	167	135.2	3.8	12.6
Torday Carlisle	‡	41	–2	90	41	6.99	‡	27.3
TransTec	g	307	–2	†314½	206½	63.8	6.2	9.1
■VSEL		449	—	458	295	164.5	7.5	8.2
■Verson Intl		7¼	+¼	18	2¼	18.1	–	–
■Vickers	‡	80	—	180	80	218.2	‡	18.1
Victaulic	†h	283	—	406	283	114.9	3.7	12.5
Vortex Energy Sys		11½	+2	30	9½	9.48	–	–
■Vosper Thorn		364	—	408	240	121.6	4.4	9.4
WB Inds		11	—	29	11	8.71	–	–
Wagon Indl	K	362	+2	†404	340	183.8	6.4	13.6
■Weir	†	504	–16	670	435	411.7	2.8	15.5
■Wellman		27	—	38	26	8.87	10.9	8.5
Whessoe	†g	215	–1	†238	210	48.5	4.5	8.7
■Wheway		15	—	†34	13	21.9	17.8	8.0
■Widney		6	—	12	6	3.20	–	–
Wilkes (J)	‡	69	—	107	69	12.2	‡	3.6
Wyko		40	—	80	38	14.1	8.7	19.5

FOOD MANUFACTURING

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
Acatos & Hutch	†	139	—	189	75	41.6	6.3	8.4
Armour Trust		32¼	+½	41½	29½	8.28	8.2	8.5
■Assoc Brit Foods	q	442	–1	479	382	1,984	4.3	10.0
Assoc Fisheries		138	—	147	103	34.4	8.7	25.7
■Avonmore I£	†	110	—	111	88	82.1	3.9	9.4
BSN FFr	b	£122	—	£122	£90½	7,749	2.0	10.7
Banks (SC)		180	—	188	140	13.2	6.9	8.0
Barr (AG)	†	360	—	365	200	56.8	2.4	14.8
♦Bensons Crisps		74	—	117	74	8.87	6.1	7.9
■Barisford Intl	♦	14½	—	27½	10	71.9	–	–
■Booker	♦	384	+6	468	312	775.1	8.0	11.1
■Borthwicks		29	—	44	29	16.7	8.1	20.2
■Cadbury Schweppes	†	458	+2	480	412	3,282	3.7	18.7
Carr's Mill		89	—	107	84	4.89	7.6	–
Clifford		361	—	618	365	8.74	[illegible]	[illegible]
A N/V		114	—	178	105	18.2	13.5	6.4
♦Cranswick	♦	161	—	165	140	18.2	6.6	10.4
Dalepak		315	—	465	275	38.4	2.5	13.9
■Dalgety	♦	435	+4	446	362	935.3	[illegible]	14.4
Daniels (S)		28	–1	64	28	3.39	1.2	30.6
Everest		211	—	265	185	21.2	4.4	♦
■Finlay (J)		61	+1	61	53	66.5	8.4	11.1
Golden Vale I£	†	65	—	80	51	107.2	3.0	7.1
■Grand Central		44	—	49	34	18.2	3.3	–
■Greencore I£	♦†	271	—	271	223	298.8	2.2	8.9
■Hazlewood		128	+1½	169	81	238.1	6.5	7.5
■Hillsdown		162xd	–3	†209	68	887.7	11.5	8.1
IAWS A I£		40	—	43	33	19.8	7.6	7.6
■ULI		119	—	†142	103	46.8	6.5	12.2
Kalozzi KSh		90	—	90	70	11.8	2.5	♦
Linton Park		165	—	165	120	69.1	11.6	20.3
■Matthews (B)	‡	46	—	74	29	49.5	‡	6.5
Nestle (Br) SFr		£477	—	£477	£336	8,489	2.1	14.0
(Reg) SFr		£482	—	£482	£330½	17,565	2.0	14.1
Nichols (Vimto)	†	488	—	515	318	98.8	3.6	12.4
■Northern	h	294	–3	†317½	215	1,088	4.0	13.6
♦Northumbrian		15	—	46	11	8.42	8.7	6.3
■Perkins		54	—	106	45	76.5	8.0	5.5
Ptarmigan	†g	28	—	11	2	0.21	‡	–
■RHM	♦	280xd	—	278	130	639.9	8.8	10.8
♦Sentry Farming		40	—	61	35	1.72	3.3	9.3
♦Sheldon Jones		54	—	72	51	2.79	–	–
Sims		205	—	†348	175	69.2	7.5	8.5
■Tate & Lyle	†	348	–11	445	295	1,836	4.3	9.6
7¼p Cv Rd Pf		183½	–6½	209	127	320.8	6.3	–
♦Treatt		161	—	183	83	1.81	4.8	11.6
■Unigate	♦	376	—	388	192	836.7	7.4	9.6
■Unilever	♦	1109	+10	1115	865	8,071	2.3	17.3
Unilever NV Fl		£71	+1	£71	£53¼	11,408	2.7	19.3
■United Biscuits		399	–2	440	322	1,879	6.0	11.6
■Usborne	†	18xd	—	19	12	12.6	2.8	11.7
Wessanen Fl		£24¼	—	£24¼	£24½	668.8	2.6	15.8

FOOD RETAILING

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■ASDA		43	+1	†45	22½	958.9	6.6	11.1
■Albert Fisher		44xd	–1	88	31	294.0	11.4	♦
♦Appleby W'ward		329	—	339	223	12.7	3.1	11.1
■Argyll		380	–6	†372	273	4,081	3.6	14.9
■Ashley	‡	16½	+½	61	11	23.2	‡	2.3
6¼p Net Cv Pf		40	—	67	43	0.49	23.8	–
Brake Bros	†	452	—	466	334	164.6	1.4	17.8
■Budgens		60	—	46	51	66.6	–	12.2
Cullen's		9½	+½	35	8	2.48	7.0	8.1
Dairy Farm $	‡	107	+4	107	65	1,767	‡	18.9
♦Dunsea		94	—	28	8	4.69	–	19.8
♦Farepak 10p		267	—	275	234	69.5	2.6	18.8
■Fyffes I£	†	75	—	†93	70	218.9	2.2	9.7
■Gateway	†	301	–3	448	285	215.9	3.5	11.3
Greggs	†	375	—	475	375	41.8	3.0	10.5
Hunter Saphir		58	—	61	27	6.67	11.9	–
■Iceland	♦†	543	+6	549	412	476.2	2.1	14.6
■Kwik Save	♦†	716	–11	720	514	1,187	2.7	15.7
■Low (Wm)		224	—	[illegible]	189	119.1	5.0	8.1
M & W		71	—	[illegible]	71	16.8	4.2	8.7
■Merchant Retl		14½	+2	†38	8	13.1	10.1	13.8
■Morrison (W)	†h	144	+1	†144	[illegible]	1,072	0.8	22.6
5¼pc Cv Pf		240	+6	240	185	116.2	2.8	–
■Nurdin P'k		141	—	188	132	178.5	6.3	9.6
■Park Food		104	+2	105	78½	85.8	2.8	19.6
■Sainsbury (J)		585	–5	614	337	8,918	2.3	20.0
Shoprite	†	340	–4	380	291	77.1	1.1	76.7
■Tesco	†	225	–7	†280	194½	4,383	3.7	10.7
9pc Cv 2005		£117¼	–1¼	£136¼	£105¼	234.5	7.7	–
■Thorntons		175	+3	210	152	116.2	2.8	18.1
♦Wardell Robts I£		66	—	111	52½	14.7	7.2	7.4
Watson & Philp	♦†	301	—	367	308	78.4	7.4	9.9

HEALTH & HOUSEHOLD

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■AAH	♦	518	+5	539	460	402.0	4.2	16.4
■Amersham		514	–2	835	413	288.8	3.2	20.7
♦Assoc Nursing		130	+2	175	103	17.4	–	8.1
Astra B SKr		£59¾	—	£59¼	£47¼	1,249	0.6	31.0
Baxter Int $		£21⅞	+⅛	£22⅜	£17⅞	6,073	2.9	–
Bespak	♦	542	+3	†565	444	135.3	[illegible]	[illegible]
Brit Bio-Tech		458	—	463	418	153.5	–	–
♦Cahill May I£	♦†	91	—	97	51½	24.1	3.3	10.2
■Community Hsptl	♦	188	—	†247	188	64.3	4.4	12.3
Cortecs A$		48½	+½	88	38½	29.4	–	–
♦Creighton Nat		218	+3	238	180	7.73	4.4	12.1
■CrestaCare		25	–1	39	20	28.9	3.7	16.1
♦Crown Eyeglass		125	—	252	120	2.88	6.4	6.0
♦Elan I£		£14	–⅛	£19	£14	525.6	–	–
■Fisons		226	–1	489	143	1,554	5.2	16.1
■Glaxo	♦	825	+15	948	632	25,165	2.7	25.3
♦Greenacre	†	9½	—	11	6	5.49	3.5	10.2
♦Haemocell		218xr	–1	†281	87	37.4	–	–
Hafslund A NKr	h	£15⅞	—	£17¼	£12⅞	297.8	1.3	8.9
B NKr	h	£15¼	—	£16⅞	£12⅞	695.9	1.0	8.9
■Hospital Crp Intlga		19	—	†39	6½	7.89	10.7	2.7
■Huntingdon		158	—	258	113	148.6	2.5	11.0
♦Huntleigh Tech	♦†	763	+6	763	285	66.1	0.6	27.6
IWP Intl I£		237	—	243	178	62.8	3.4	7.7
♦Intercare	†	145	—	188	127	43.8	1.8	19.1
Isotron		188	—	298	175	24.8	2.7	13.3
Jeyes	†g	474	+1	†485½	393	88.7	1.8	22.6
♦Kitty Little		10	—	17	5½	8.97	–	–
Kynoch		37	—	†59	31	7.82	–	5.8
■Life Sciences	†	140	+1	178	125	236.2	3.0	16.4
Lilly (Eli) $		£40⅛	+⅛	£48½	£32⅞	11,866	3.4	–
■London Intl		223	+12	†310	157½	374.9	5.7	13.4
♦ML Labs		965	+10	†1063	679	201.9	–	–
♦Mayborn	†	102	—	115	87	18.9	5.5	8.7
■Medeva	†	186	+2	301	150	369.3	1.0	19.4
■Nestor-BNA		38	—	75	38	28.9	11.7	5.9
Novo B DKr		£55⅝	—	†£65⅞	£46¼	1,767	0.8	20.4
Pat'son Zoch		369xd	—	498	380	60.8	4.2	♦
A N/V		365xd	—	395	355	61.6	4.3	♦
♦Proteus Intl	♦	425	–1	595	148	112.8	–	–
Quality Care Homes	R	169	—	192	143	22.4	3.2	15.0
Ransom (Wm)		50	—	90	32	8.24	4.5	17.7
■Reckitt & Colman	†	656	—	709	523	2,431	3.1	15.4
9½p Cv Cap		154½	+½	162	134	318.3	6.1	–
■♦Regina		1⅛	—	3½	1½	2.41	–	–
■Scholl	♦†	235	—	245	168	138.5	3.9	14.8
Seton Health	♦	283	+2	318	263	64.5	2.4	18.5
■Smith & Neph	†	164½	–2	164⅛	127	1,866	3.6	19.4
■SmKl Beecham A	♦†	540	+11	566	396½	7,398	1.9	21.8
■ Equity Units	†	479	+7	509	353	6,274	2.1	19.2
♦Specialeyes		15	—	29	15	2.39	–	–
Swallowfield		77	—	103	76	16.1	10.6	6.6
■Takare	†	202	+1	221	170	180.6	1.0	20.1
■UniChem	♦†	217xd	+2	†229	165	288.6	3.1	16.1
United Drug I£	†	290	—	290	160	21.6	4.7	11.2
■Wellcome	q	983xd	+12	1174	777	8,549	1.7	27.7
Whatman	†	425	—	450	380	92.7	2.8	15.1

HOTELS & LEISURE

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
♦Aberdeen Stk		16	—	23	16	1.92	–	–
♦Airbreak Leis		3½#	—	†66½	2	1.45	–	0.7
■Airtours	†h	229	+2	337	172	210.7	3.3	8.5
■Allied Leis		32	–1	†80	16	11.2	18.5	7.0
♦BCE		3	—	5	1	0.64	–	♦
Baldwin	‡	76	—	80	44	12.1	‡	8.8
Barr & WAT A		169	—	217	135	18.8	7.9	8.4
Boosey & Hwks	†	898	—	1000	795	34.9	3.0	14.3
■Brent Walker		4½	—	15½	4	12.0	–	–
Bristol Scotts		66	—	95	65	3.79	–	–
■Buckingham	♦‡	6¼	—	15	2½	7.59	‡	1.6
♦Castle Comms		124xd	—	223	120	7.75	9.1	♦
Chrysalis		66	—	80	40	14.8	–	–
■City Centre		69½	–½	72	52	190.9	2.8	18.5

HOTELS & LEISURE - Cont.

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■Compass	†	454	+6	509	405	207.8	3.3	14.2
♦Courtyard Leis		14	—	28	13	1.48	–	–
■Eurocamp	R	274	—	341	273	71.7	4.1	15.0
■Euro Disney FFr		985	—	1690	703	1,849	–	–
■European Leis		2¼	—	19	1	4.66	–	–
■Ex Lands		21	—	†36	11	14.8	–	–
■♦Expedier		2	—	10½	2	1.82	–	–
Fairline Boats	‡	155	–2	445	110	6.88	‡	3.0
■Farmingford		7	—	16	7	1.68	–	–
■First Leisure	†	293	–1	326	229	444.8	2.7	19.2
■Forte		169	–1	262	112	1,384	7.8	–
Friendly Hotels		129xd	+4	249	94	15.8	5.7	10.4
■Granada	†	298	—	†366	192	1,263	3.1	24.4
7½p Cv Pf		134	+2½	†134½	94	187.8	7.5	–
■♦Harmony Leis		5	—	12	5	1.20	–	–
Hi-Tec Sports	‡	40	—	†269	38	17.4	‡	2.5
■♦Intl Media		4	–¼	4⅞	3	9.05	–	–
Jurys Hotel		109½	—	114	92½	28.8	5.6	12.9
■Kunick	‡	4½	+½	†16½	2¼	10.8	‡	9.9
8¼pc Cv Pf		49½	+½	68	18	18.2	27.2	–
■Ladbroke	†	166	–6	†287	126	1,822	8.8	13.9
Magnolia	‡	86	+4	93	55	3.79	‡	46.2
■Man Utd		304	—	384	260	37.8	7.9	10.5
Mandarin Orient $		62	—	62	37½	438.4	5.1	17.6
■♦Millwall		5½	+½	5½	1⅜	6.42	–	–
■Owners Abrd	†	74	—	†123	44½	111.5	5.8	4.5
■ 9¾p Cv Pf		130	—	†189	98	36.8	10.0	–
♦Pelican		24	—	†31	19	5.16	5.6	8.3
♦Prism Leis	h	57	—	64	50	6.91	6.5	7.3
■Quadrant	‡	20	—	61	19	6.37	‡	3.0
■Queens Moat	♦†	44½	+½	92	26	471.2	8.6	5.9
7pc Cv Pf		[illegible]	+6	†208	79	26.3	9.2	–
7½pc Cv Pf		79	—	119	51½	132.2	14.3	–
♦Ramsden's (H)		148	—	177	125	8.60	4.1	21.8
■Rank Org		617	+25	772	444	1,868	6.8	17.2
8¼p Cv Pf		114½	+2	122	91	261.1	9.6	–
♦Regal Hotel		3#	—	6	3	0.32	–	–
■Resort Hotels		33	—	†89½	31	33.8	13.9	4.2
■Ryan Hotels I£		14½	—	†35	13½	9.49	10.0	8.3
Savoy A		435	—	645	420	124.5	2.1	79.0
♦Simpsons of C'hill		32	—	49	29	1.44	–	–
♦Sleepy Kids		7	–½	12	6½	1.95	–	–
■Stakis	‡	29	—	37	23	78.8	‡	–
■Stanley Leis	h	148	+1	191	135	69.6	3.8	12.0
■♦Sunleigh		4	—	13	4	3.88	–	–
■♦Surrey		1⅛	—	4	1⅛	2.26	–	♦
Tanjong	s	343	—	389	136	718.7	–	72.1
■Thorn EMI		824	+4	†886	633	3,361	4.9	18.9
♦Tomorrows Leis		46	—	79	34	4.90	4.6	12.7
Tottenham	s	77xd	—	115	77	12.3	–	3.8
■♦Verity		10	—	24½	9	10.1	–	–
■Wembley	♦‡	18½	—	†90	18	47.6	‡	–
■♦Whitegate		8	—	15½	4½	2.22	25.0	2.7
Zetters		95	—	109	95	8.29	11.1	9.5

INSURANCE BROKERS

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
Alex & Alex $		£17¼	+⅛	£17⅞	£10⅞	783.4	3.7	–
11pc Cv $		£66	—	£66	£40	151.3	11.6	–
Archer (AJ)	M	36	+2	38	27	12.9	10.5	7.8
♦Berry Birch		103	—	108	75	6.65	4.1	10.1
■Bradstock	♦†	112	—	169	80	62.7	6.3	13.1
♦Durham (DG)		44	—	11	1½	8.88	–	–
■Heath (CE)		328	+1	†477	212	288.3	10.5	11.1
■Hogg		187	—	138	104	98.2	6.9	9.6
■JIB	L	181	+1	295	102	177.8	8.2	11.9
■Lloyd Thompson	♦	221	—	338	160	148.4	3.2	17.0
■Lowndes Lam	♦	279	+1	364	224	65.2	6.0	18.8
Marsh McLen $		£60⅛	+⅛	£60⅛	£39⅛	4,382	2.8	–
♦Oriel	†	107	—	184	107	18.2	6.3	7.9
■PWS		43	–1	61	30	12.9	12.4	8.7
■Sedgwick	♦♦	165	+2	240	100	847.8	4.8	15.1
■Steel Burrill J		198	—	321	182	91.8	9.0	12.4
■Sturge	♦	61	—	222	55	48.5	13.6	5.0
■Willis Corroon		221	+4	274	144	920.7	6.0	19.5
Windsor		18	+1	21	14	8.54	–	89.6

INSURANCE COMPOSITE

	Notes	Price	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
Aegon Fl		£28⅛	—	£28⅛	£17⅞	2,492	4.7	8.6
Allianz DM	g	£700	–1	†£864	£587½	14,829	0.8	–
American Gen $		£29⅛xd	—	£30⅞	£22½	3,819	3.9	–
American Int $		£71⅞	+⅞	£71⅞	£47¼	15,241	0.5	–
Aon $		£29⅞	+⅛	£32⅞	£21⅛	2,088	3.3	–
Baltica DKr		£18⅞	—	£40⅛	£17⅞	286.1	–	–
■Comm Union		509	–6	609	402	2,611	8.6	–
♦Don & Gen		965	—	1100	900	62.7	2.6	16.3
FAI A$		31	–1	31	19	61.8	–	–

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LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+or -	1992 high	low	Yld Gr's	NAV	Dis or Pm(-)
■Scottish Inv	♣†	179½	+6	189	147	3.3	211.0	15.4
■ Warrants		31	+2	38	21	–	–	–
■Scot Mortgage	♣†	178½xd	+2	171	135	3.8	200.9	15.2
■Scot National Inc	♣	87½	+1½	107	65¼	12.5	–	–
■ Cap		19½	—	42	12½	–	–	–
Stepped Pf		164½	—	164¼	128	5.2	–	–
Zero Div Pf		197	—	197½	186½	–	–	–
Warrants		5½	—	9	3	–	–	–
Scot Value	‡a	82½	+½	84	48	1.8	83.2	1.5
Sec Alliance	♣	1309	+18	1309	1066	3.7	1484.0	11.8
Second Market	§	255	—	255	222	8.8	300.3	15.3
■Sec Tst Scot	♣	70xd	+½	75½	61	8.2	76.4	8.4
Select Assets		101	+1	102½	78½	1.2	149.6	32.8
Eq Ind Ser		121	+2	123	106	4.7	–	–
Eq Ind Ser II		121	+2	123	106	4.7	–	–
SHIRESCOT		98	+2	98	96	–	99.0	3.0
Shires	♣	208	+6	249	188	11.8	214.4	3.2
11pc Cv Ln '03/04		£196½	+2	£119½	£95½	18.3	–	–
Siam Select		98	+3	98	68	0.3	138.4	30.0
Warrants		12	+1	21	10	–	–	–
■Smaller Cos		66	—	66	68	5.1	77.5	15.5
Warrants		19	—	20	10	–	–	–
Somerset Tst		114	—	148	55	–	87.8	-29.8
■Sphere Inc	N	13xd	—	20	9½	31.8	22.6	44.6
Zero Div Pf		78	+½	77¼	63¼	–	–	–
Sumit		35	—	55	30	4.8	93.2	62.5
■TR City of Lon		117½	+1	127½	97½	5.4	117.2	0.3
■TR Euro Growth		77	+1	90	70	2.3	100.2	23.1
Ptg Sub		33	—	54	33	5.5	–	–
■TR Far East Inc		109	+2	109	78	5.8	121.5	10.7
Warrants		18	+1½	22	12	–	–	–
TR High Inc		104	+1	116	91	7.7	104.4	0.4
Sub	q	23	—	36	21	8.7	–	–
■TR Pacific	a	102	+1	102	70	3.3	115.9	12.4
■TR Prop		17½	+½	27	14½	11.8	34.2	49.5
■TR Smaller		122	+2	152	96	4.8	141.0	13.5
■TR Technology		27	—	37	18	8.6	131.9	79.5
Stepped Pf		98½	+½	102¼	89¾	7.7	–	–
Zero Pf		197	+1	197	154½	–	–	–
■Temple Bar	♣N	280	+3	277	228	6.7	280.5	7.3
6pc Cv Ln 2002		£97½	—	£117½	£80	8.2	–	–
Templeton Em		225	+3	225	165	1.5	223.6	0.6
Warrants		93	+3	105	59	–	–	–
1pc Cv Ln 2001		£221½	+4	£221½	£162½	0.8	–	–
Thompson Clive		121	—	138	88	4.2	183.5	34.3
■Thornton Asian		69	—	69	51	1.6	91.9	24.8
Warrants		7	+1	11	4	–	–	–
Thornton Pan Euro		26	—	30	24	6.1	31.5	17.6
Warrants		1	—	6	1	–	–	–
Throg Dual Inc		98	-1	99	89	15.8	–	–
Cap		368	—	378	268	–	588.0	38.0
■Throg 1000 Smlr Cos		77	+1	96	70	–	–	–
■ Warrants		11	—	14	10	–	–	–
■Throgmorton Tst		48	—	60	39	6.6	62.5	28.0
Warrants		9	+½	23	5	–	–	–
Tor Inc		318	+5	485	308	17.8	–	–
Cap		590	—	605	490	–	1046.8	46.7
Trip Inv Tst		65	—	82	38	2.4	44.0	-25.0
Trust of Prop		47	—	62	36	4.1	60.1	21.8
Turkey Trust	a	130	-1	165	115	1.1	180.4	28.1
Warrants		30	—	48	20	–	–	–
■USDC	♣†	167	+2	170	137	3.4	208.5	20.1
US Smaller Cos		100	+2	107	81	0.1	118.3	10.8
Warrants		30	—	41	29	–	–	–
■Value & Inc	K	65	—	78	55½	7.1	78.1	9.8
Venturi		9½	—	9½	7¼	–	19.3	28.7
Inc	†	33xd	-½	38	33	19.2	–	–
Cap Indexed		108	+2	179	139	–	–	–
Welsh Ind		105	—	130	83	8.2	148.8	22.6
Whitbread Inv		394	—	397	403	3.7	659.7	10.1

MEDIA - Cont.

	Notes	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■Utd News		454	-6	481	323	985.7	6.2	15.6
‡VTR		44	—	65	43	3.22	10.3	11.2
■WPP		42	—	118	31	97.4	–	–
■ Warrants		8	—	8½	1½	8.26	–	–
Walmoughs	†	458	+3	480	391	158.4	3.1	19.9
Yorkshire Tyne-T		130	—	191½	130	64.9	12.3	4.6
Warrants		18	—	19	9	0.95	–	–

MERCHANT BANKS

	Notes	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■Ansbacher (H)		29	—	34	26	52.2	–	–
Barings 9pc Cm 2nd Pf		96xd	—	101	83½	12.8	11.1	–
9¼pc Non-Cum Pf		117xd	—	125	103¼	46.6	11.1	–
Close Bros		221	—	257	205	84.9	5.7	9.8
■Hambros	♣	248	—	292	202	429.8	7.4	9.1
7½pc Cv Pf		109½	+1	118	91½	184.3	9.1	–
Joseph (L)		308	—	333	308	18.2	6.9	–
■Kleinwort Benson		301	—	324	212	392.4	7.1	26.3
■Rea Bros		34	—	37	25	13.3	2.0	–
Schroders	♣†	1360	—	1365	1043	682.9	1.8	15.1
N/V	†	1103	+3	1108	883	144.2	2.2	12.8
■Singer & Fried	♣	40	—	50	34	78.9	8.3	8.8
■Warburg (SG)	♣	597	+6	605	403	1,123	4.5	10.8
5pc Cv Pf		194	+3	204	137	78.3	4.3	–
Wintrust		193	—	233	193	18.4	8.4	7.4

METALS & METAL FORMING

	Notes	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's	P/E
■ASW	‡	53	+6	185	50	38.4	‡	10.0
‡Apollo Metals		91	—	147	91	18.7	5.1	9.9
Ash & Lacy		130	—	180	123	34.5	6.6	10.7
■Barrett (H)	‡	7½	-1	45	7½	3.25	‡	17.3
Billam (J)	†	137	—	144	84	2.12	4.4	6.0
■Brit Steel		46	+2	86	43½	888.8	12.2	46.7
■CI		19	—	35	15	18.4	15.0	7.4
Castings		175	—	185	118	37.4	3.1	12.1
Chamber & Hill		103	—	140	90	7.53	7.8	8.8
Cohen (A)	‡	385	—	400	305	5.86	‡	–
Cook (Wm)		88	-1	335	88	28.1	18.2	3.7
■Cooper (F)		25	—	69	22	9.23	10.5	♦
Downiebrae		27	—	39	27	4.72	2.5	17.3
■Firth (GM)		3	—	35	3	2.78	–	–
Garton	‡	85	—	130	85	3.29	‡	–
■Glynwed Intl		210xd	-2	282	183	446.8	7.2	21.2
■Johnson & Firth		48½	—	73	44½	66.8	8.2	12.9
■Johnson Matthey	♣	450	+6	498	317	836.6	2.8	18.5
Kobe Steel Y		103	—	209	110	5,804	1.7	33.6
■Lee (A)		90	—	113	85	30.8	8.7	45.0
Linread	♦	67	—	100	61	8.85	‡	9.5
Manganese Bze		87xd	+1	99	86	11.8	2.0	–
‡Metsec	‡	79	—	107	68	10.8	8.7	–
‡Morris Ashby		130	—	130	79	10.6	4.8	12.8
Radiant Metal		80	—	100	70	1.18	–	–
Richards Grp		81	—	81	60	4.27	11.5	5.1
■Savile Gordon		30	—	48	29	38.6	9.9	19.7
‡Stainless Metal		30	+3	37	15	1.78	4.8	♦
Sycamore		8	—	19	6	7.42	–	9.5
Thyssen DM		1804	-6	1995	1247	392.5	9.1	–
‡Tinsley (Eliza)		55	—	67	53	4.25	11.0	8.3
■Triplex Lloyd		143	—	175	133	78.1	6.5	11.1
Utd Industries		7	—	16	7	2.74	–	–

MINES - Cont.

	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's
‡‡Sinclair Expl IE	8	—	18	6	1.48	–
■Greenwich Res	8½	—	11	2	4.08	–
Hemlo Gold C$	£4½	—	£8½	£3¼	448.9	2.2
■‡Ivernia West IE	36	—	69	32	18.1	–
■‡Kells Mins IE	18	—	42	14	0.49	–
■Kenmare	3¼	—	8½	2¼	3.90	–
Melinga Res	8	-½	48	8	0.88	–
‡‡Navan Res IE	32	—	82	18	4.25	–
North West Expl A$	3	—	6	2	1.01	–
Oryx Gold	60	—	103	48	–	–
Plateau	36	—	13	3	1.27	–
■RTZ	657	—	660	459	6,588	4.1
‡Vizcaya	1½	—	3	1	0.87	–
‡Western & Pac C$	21½	—	88	7	11.8	–

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols relating to dividend status appear in the notes column only as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ▼ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below
- ✦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♦ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e also based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Not subject to ACT
z Dividend yield includes a special payment
E Auction basis
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures
Z Dividend yield to date

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xf ex capital distribution.

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AUTHORISED UNIT TRUSTS

[illegible]

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: [illegible]

OFFER PRICE: [illegible]

BID PRICE: [illegible]

CANCELLATION PRICE: [illegible]

TIME: [illegible]

HISTORIC PRICING: [illegible]

FORWARD PRICING: [illegible]

SCHEME PARTICULARS AND REPORTS: [illegible]

[illegible]

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FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128.

Sharp (Albert E.) & Co (1000)F
Admin: 5 Rayleigh Rd Hutton, Brentwood Essex
Enquiries: 0277 227300 Dealing: 0277 261010

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Int'l Bond & Conv	5	115.60	115.90	122.90	-0.60	6.30
Pooled Pension ‡	3¼	£135.4	139.9	144.7		—
Smaller Cos	5	50.28	52.09	54.83	+0.19	2.74
UK General	5	109.40	111.10	116.90	+1.90	2.61

Sheppards Unit Trust Mngmt Ltd (1200)F
1 White Hart Yard, London Bridge SE1 071 407 5966

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Income	5	350.23	350.23	371.24	+4.12	5.56
Global Inc	5	49.80	49.80	52.79	+0.38	4.38
Brit Leaders	5	299.11	299.11	317.06	+3.04	3.22
Int'l Leaders	5	162.92	162.92	172.70	+1.84	1.90
PAs Nm Bal Gwth Acc ¥	3¼	47.39	48.14	50.02	+0.21	4.28
PAs Nm Bal Gwth Inc ¥	3¼	47.39	48.14	50.02	+0.21	4.28

Singer & Friedlander UT Mgmt Ltd (1000)F
PO Box 224, Beckenham, BR3 4TF 081-663 3003

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
European Trust	6	45.91	46.04xd	48.98	+0.07	1.82
Far Eastern Tst	6	52.75	53.16	56.55	+0.17	0.88
Smaller Cos	5	108.8	112.9	120.1	+0.7	2.95

Smith & Williamson Unit Tst Mgrs (1600)F
1 Riding House St, London W1A 3AS. 071-637 5377

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
S & W American ‡	5	251.9	252.4	267.1	+3.8	0.97
S & W Capital	5	105.4	105.4	112.8	+1.3	2.01
S & W Cash ‡	0	100.92	100.92xd	100.92	+0.06	7.94
S & W European	5	103.5	103.7	109.7	+0.5	1.47
S & W Far Eastern	5	108.8	109.7xd	116.1	+2.7	0.01
S & W Growth	5	112.6	113.7xd	120.3	+1.4	1.54
S & W Income	5	96.39	97.67xd	103.3	+1.0	5.65
S & W Magnum	5	111.8	111.8	119.9	+1.6	1.89
S & W Smllr Secs	5	245.3	251.1xd	265.6	+1.5	0.88
S & W Thoroughbred	5	128.9	128.9xd	138.2	+1.9	1.91

Societe Generale Touche Remnant (1600)F
Mermaid Hse, 2 Puddle Dock, EC4V 3AT 071-248 1250
4 Hourly Pricing – 12 Noon Historic

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Gwth	5¼	68.56	68.56	73.32	+0.08	0
Eur Sp Sits Acc	5¼	40.31	40.31	42.97	+0.09	0
Eur Sp Sits Inc	5¼	38.07	38.07xd	40.58	+0.08	0
Far East Opps Inc	5¼	26.74	26.74	28.76	-0.16	0
Far East Opps Acc	5¼	27.40	27.40	29.47	-0.17	0
General Growth	5¼	86.77	86.77	93.16	+0.57	3.20
General Growth Acc	5¼	88.22	88.22	94.72	+0.58	3.18
Global Tech	5¼	98.04	98.04xd	105.80	+0.39	0
Income Growth	5¼	85.04	85.04	91.36	+0.50	5.01
Income Growth Acc	5¼	85.04	85.04	91.36	+0.50	5.01
Income Monthly	5¼	46.44	46.44	49.66	+0.26	6.89
Japan Growth	5¼	59.23	59.23	62.91	+0.15	0
Overseas Growth	5¼	64.16	64.16xd	68.51	-0.11	0
Smaller Cos	5¼	54.69	54.69xd	58.80	+0.18	3.18
Special Opps	5¼	70.59	70.59	75.90	-0.20	3.52
Wwde Sp Sit Acc	5¼	36.86	36.86	39.83	+0.08	0
Wwde Sp Sit Inc	5¼	36.78	36.78	39.76	+0.08	0
SGTR Pension Portfolio						
American Growth	6	41.06	41.72	44.22	+0.05	—
Eur Sp Sits	6	32.40	32.81	34.78	+0.07	—
General Growth	6	31.75	32.38	34.32	+0.20	—
Global Tech	6	38.39	39.36	41.72	+0.12	—

Whittingdale Unit Tst Mngmt Ltd (0830)F
2 Honey Lane, London EC2V 8BT 071-600 0462

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Challenger	2½	87.54	87.54xd	89.58	+0.12	0.00
Short Dtd Gilt	1½	106.7	106.7	108.1	+0.2	11.93
U.S. Govmt Bond	1½	$0.6994	0.6994xd	0.7085		0.00
Gilt Income	4	51.26	51.26	53.34	-0.03	8.68
Gilt Growth	4	63.30	63.30	65.90	-0.27	0.00
City Reserve	0	54.98	54.98	54.99	+0.01	8.9

Woolwich Unit Trust Managers Ltd (1700)H
1 White Oak Square, Swanley BR8 7AG 0705 388046

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Stockmarket Fd F	5	59.42	59.57	63.37	+0.31	2.75

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Int'l Exmt Oct 28	636.5	658.2		2.06

James Capel Fund Managers Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Exempt	£118.668	125.393	+1.033	4.31

Cent. Bd. of Fin. of Church of England‡‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

	Bid Price	Offer Price	+ or -	Yield Gross
Inv Fund Sep 30	517.80	519.90		5.69
Fxd Int Sec Sep 30	144.40	145.00		10.00

Deposit Fund. See Money Market Trust Funds.

Charinco/Charishare‡‡ (1000)F
33 King William Street, EC4R 9AS 071-280 2800

	Bid Price	Offer Price	+ or -	Yield Gross
Charinco Inc	174.4	176.4	+0.10	9.30
Charinco Acc	998.5	1010.2	+0.80	9.30
Charishare Inc	173.9	177.8	+5.20	4.44
Charishare Acc	220.6	225.5	+4.10	4.44

CAFINVEST–Charities Aid Foundation
48 Pembury Rd, Tonbridge TN9 2JD 0732 771333

	Bid Price	Offer Price	+ or -	Yield Gross
Balanced Growth	59.78	61.61		4.06
Income	59.77	60.89		7.36

COIF–Charities Official Inv Fd‡‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

	Bid Price	Offer Price	+ or -	Yield Gross
Income Sep 30	509.24	512.86		5.79
Accum Sep 30	1960.37	1984.78		—
Fixed Int Income Sep 30	117.35	117.58		9.87
Fixed Int Accum Sep 30	147.76	147.87		—

Deposit Account: see Money Market Trust Funds

Charity Fixed Int Fd/Charity Equity Fd
33 Gutter Lane EC2V 8AS 071-382 6900 (Gen Enquiries)
071-382 5919 (Dealing)

	Bid Price	Offer Price	+ or -	Yield Gross
Charity Equity Inc	105.20	107.70xd	+1.60	4.10
Charity Equity Acc	107.30	109.80xd	+1.70	4.10
Charity Fixed Int Inc	103.00	104.10xd	+0.30	8.40

Midland Life Limited
Norwich Hse, Commercial Rd, Southampton 0703 229929

	Bid Price	Offer Price	+ or -	Yield Gross
Adventurous Fd	60.8	64.0	+0.2	-
Balanced Fd	69.3	73.0	+0.7	-
Defensive Fd	70.7	74.5	+0.4	-
Secure Fd	68.4	72.0	+0.1	-
UK Equity Fd	76.3	80.4	+1.3	-
International Fd	61.7	65.0	-0.2	-
Money Market Fd	69.3	73.0		-
Fixed Interest Fd	68.4	72.1	+0.2	-

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Prolific Life & Pensions Ltd
Stramongate, Kendal, Cumbria LA9 4UB 0539 733733
Managed Fund see Balanced Growth Managed Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Balanced Gwth Mngd	610.0	649.0	+5.2	-
Adventurous Mngd	147.0	156.4	+1.2	-
Cautious Mngd	118.0	125.6	+0.7	-
Cash Fd	312.7	329.6		-
Property Fund	217.1	231.0		-
Equity Fund	701.0	745.8	+6.2	-
Fxd Int. Fund	385.9	406.7	-0.4	-
International	317.8	338.1	+2.7	-
High Income	526.4	560.1	+6.7	-
Far East	428.6	456.0	+1.1	-
North American	397.9	423.4	+3.5	-
Special Sits	487.6	518.8	+5.9	-
Technology	391.7	416.8	+5.1	-
Extra Inc Fd	287.6	306.0	+3.5	-
Convertible & Gilt Fd	138.9	147.8	+1.5	-
[illegible]	165.8	176.4	+1.0	-
Gilt Fund 20	435.5	463.4	-1.1	-
European Fund	112.5	119.7	+0.3	-
Pref & Fixed Int	104.4	111.1	+0.1	-
UK Blue Chip	109.9	115.9	+1.4	-
Recovery Fund	100.2	105.6	+1.0	-
Equity Income Dist	97.1	103.4	+1.0	5.02
Managed Dist	93.3	99.3	+0.8	5.32
High Yield Dist	99.4	104.8	+0.1	7.71
Pension Funds				
Balcd Gth Mngd Pens Acc	700.7	737.6	+5.9	-
Adventurous Mngd Pens Acc	152.7	160.8	+1.1	-
Cautious Mngd Pens Acc	134.8	141.9	+0.9	-
Building Soc. Acc	359.3	378.3		-
Property Pens. Acc	294.8	310.4		-
Fix Int. Pens. Acc	608.1	640.2	+0.6	-
Equity Pens. Acc	884.2	930.8	+5.5	-
International Pens Acc	292.6	308.1	+3.2	-
High Inc Pens Acc	586.9	617.8	+8.1	-
Tech Pens Acc	274.8	289.3	+4.5	-
N American Pens Acc	298.5	314.3	+2.9	-
Far Eastern Pens Acc	423.9	446.3	+0.9	-
Special Sits Pens Acc	399.5	420.6	+5.2	-
[illegible]	349.9	368.4	+4.4	-
Convertible & Gilt Pen	169.4	178.4	+1.4	-
American Inc Pens	188.3	198.3	+1.3	-
[illegible]	124.7	131.3	+0.1	-
[illegible]	169.1	178.1		-
[illegible]	122.2	128.7	+0.1	-
UK Blue Chip	115.5	121.6	+1.7	-
Recovery Fund	105.2	110.8	+1.0	-
Unitised With Profits Pens	106.1	111.7		-
Other Funds				
Margetts Growth	[illegible]	120.4	+0.7	-
Margetts Income	115.9	122.0	+0.5	-
Margetts Pension	124.6	131.2	+1.0	-
DWC Growth & Income	-	-		-
NCH Managed	115.4	121.5	+0.7	-

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 510033

	Bid Price	Offer Price	+ or -	Yield Gross
Deposit Acc Fd	166.1	[illegible]	+0.1	-
Equity Acc Fd	376.8	396.6	+5.5	-
Managed Acc Fd	328.9	346.3		-
Prop Fd (1st Issue)	-	594.5	-	-
Prop Acc Fd (2nd Iss)	119.4	125.7		-
Unit Trust Mn. Fd	146.5	154.2		-
[illegible]				
Deposit Acc	240.4	253.0		-
Equity Acc	275.3	289.8	+5.3	-
Fixed Int Acc	243.8	256.6	-	-
Gilt Index Lnk Acc	185.3	195.1	-	-
Managed Acc	360.1	379.0		-

J Rothschild Assurance PLC
J Rothschild House, Dollar Street, Cirencester
Telephone 0285 640202 Helpline 041 307 6500

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
JRA/M&G Managed	106.4	112.0	+0.40	-
[illegible]	101.2	106.6	+0.50	-
[illegible]	109.8	115.6	+0.70	-
Deposit	99.00	104.3		-
Far East	113.2	119.2	+0.90	-
Gilts	103.6	109.1	-1.10	-
Greater European	108.1	113.8	-0.40	-
North American	120.3	126.7	+2.70	-
UK Equity	104.5	110.1	+0.80	-
Pension Funds				
JRA/M&G Managed cap	103.7	109.2	+0.50	-
JRA/M&G Managed acc	106.5	112.2	+0.50	-
[illegible]	97.70	102.9	+0.70	-
[illegible]	100.4	105.7	+0.70	-
[illegible]	112.1	118.0	+0.90	-
[illegible]	115.2	121.3	+1.00	-
Deposit cap	99.10	104.4	-0.10	-
Deposit acc	101.9	107.3		-
Far East cap	110.2	116.0	+1.20	-
Far East acc	113.2	119.2	+1.20	-
Gilts cap	101.9	107.3	-1.10	-
Gilts acc	104.7	110.3	-1.10	-
Greater European cap	108.1	113.8	-0.20	-
Greater European acc	111.0	116.9	-0.20	-
North American cap	123.6	130.2	+3.30	-
North American acc	127.1	133.8	+3.40	-
UK Equity cap	100.8	106.2	+0.90	-
UK Equity acc	103.6	109.1	+0.90	-

Royal Heritage Life Assurance Ltd

[illegible]

MANAGEMENT SERVICES

OFFSHORE INSURANCES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

تحكذا اصل الأصل

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FT MANAGED FUNDS SERVICE

• Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128.

IBI Global Funds Limited

	Bid Price	Offer Price	+ or -	Yield Gross
Intl Sole Gwth	£20.00	21.06	—	—
Intl $US Gwth	$17.62	18 55	—	—
High Income Gilt	£25 87	26.81	—	—
International Equity	£20.17	21.24	—	—
International Bond	£22.40	23.22	—	—
Managed Currency	£27 28	27.57	—	—
Sterling Currency	£26.26	26.54	—	—
US$ Currency	$37.67	38.06	—	—
Irish £ Currency	I£14.98	15.14	—	—

JERSEY (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

JERSEY (REGULATED)**

LUXEMBOURG (REGULATED)**

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Divisions remain over dollar

THE DOLLAR suffered a set-back against the D-Mark yesterday after the Bundesbank President issued a cautious note on the prospects for a further easing in German credit policy, *writes James Blitz.*

After Monday's dramatic 3 pfennig rise against the D-Mark, the US currency fell back yesterday to close at DM1.5630, down more than half a pfennig on the day. However, the fall has not changed the perception of dealers that the dollar will rise sharply against the German currency in the longer term.

Yesterday's decline was partly due to pre-election jitters. There were rumours that Mr Bill Clinton, the Democratic Presidential candidate, wants the dollar to drop back to Y100 against the yen to reduce the Japanese trade surplus. These were denied by Mr Clinton's advisers.

A more serious setback was delivered by Mr Helmut Schlesinger, the Bundesbank president, who said that further cuts in interest rates depended on success in reducing the budget deficit and the level of domestic wages for 1993.

Mr Mark Brett, an economist at Barclays de Zoete Wedd in London, believes that the dollar rise cannot be capped much longer by tight Bundesbank policy. He thinks that the market's fixation with Germany's credit policy will fade as the country's economic situation deteriorates.

"Germany faces next-to zero growth in the short term and stubborn inflation, while real yields on German bonds are moving below those in the US," says Mr Brett.

"Are you sure you want to hold a currency that is underpinned by short-term interest rates and nothing else?" he asks.

In his view, a high currency yield will prove no better a shield for the Bundesbank than it was for the Bank of England.

Mr Steve Hannah, head of research at the European securities wing of International Bank of Japan, says that the dollar rise will remain constrained. "The dollar could reach DM1.65 or DM1.70," he says. "But those are next year's rates."

In his view, uncertainty over the US economic upturn will restrain the dollar upturn before then. This week's non-farm payroll figure will indicate whether the Federal Reserve will have to ease rates further. In the longer term, Mr Hannah believes that the budget deficit increase sanctioned by Mr Clinton, if he is elected, will become a problem for the dollar.

He also believes that, although German rates will come down, the easing may not happen until the turn of the year. Money markets have already priced in all the easing that will happen before the end of 1993. "Where is the surprise element that will boost the dollar further?" he asks.

£ IN NEW YORK

Nov.3	Latest	Previous Close
£ Spot	1.5500 - 1.5510	1.5340 1.5350
1 month	0.65 - 0.63pm	0.69 0.64pm
3 months	1.46 - 1.43pm	1.50 1.45pm
12 months	3.80 - 3.70pm	4.00 3.90pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		Nov.3	Previous
8.30	am	78.0	77.8
9.00	am	78.0	77.7
10.00	am	78.3	77.8
11.00	am	78.2	77.8
Noon		78.0	77.8
1.00	pm	78.1	77.7
2.00	pm	78.2	77.7
3.00	pm	78.3	77.9
4.00	pm	78.4	77.9

CURRENCY MOVEMENTS

Nov 3	Bank of England Index	Morgan** Guaranty Changes %
Sterling	78.4	-32.2
U.S Dollar	64.1	-11.5
Canadian Dollar	96.3	-8.3
Austrian Schilling	113.3	+15.0
Belgian Franc	115.4	+1.3
Danish Krone	114.9	+0.4
D-Mark	123.8	+30.2
Swiss Franc	112.8	+21.0
Dutch Guilder	118.6	+20.2
French Franc	108.7	-8.0
Lira	89.1	-27.9
Yen	150.9	+85.7
Peseta	98.8	-24.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100) **Rates are for Nov.2

CURRENCY RATES

Nov 3	Bank § rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.904945	0.814054
U.S Dollar	3.00	1.39995	1.25364
Canadian $	6.30	1.73790	1.55452
Austrian Sch	8.25	15.2203	13.8377
Belgian Franc	7.75	N/A	40.4551
Danish Krone	9.50	8.31780	7.54505
D-Mark	8.25	2.16604	1.96659
Dutch Guilder	7.75	2.44781	2.21255
French Franc	10½	7.37914	6.66186
Italian Lira	14.00	1867.66	1682.90
Japanese Yen	3.25	173.034	155.013
Norway Krone	-	8.82948	8.00992
Spanish Peseta	-	154.720	140.113
Swedish Krona	50.0	8.15121	7.40652
Swiss Franc	6.00	1.93235	1.75510
Greek Drach	19	N/A	254.878
Irish Punt	-	N/A	0.745061

§ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Nov.2

OTHER CURRENCIES

Nov 3	£	$
Argentina	1.5355 - 1.5360	0.9900 - 0.9910
Australia	2.2240 - 2.2260	1.4350 - 1.4360
Brazil	12443.5 - 12444.0	8033.30 - 8033.60
Finland	7.6055 - 7.6750	4.9250 - 4.9350
Greece	310.100 - 316.200	202.100 - 206.150
Hong Kong	11.9675 - 11.9840	7.7300 - 7.7310
Iran	2316.00*	1435.00*
Korea(Sth)	1190.55 - 1209.75	779.00 - 785.20
Kuwait	0.46080 - 0.46180	0.29730 - 0.29760
Luxembourg	49.70 - 49.80	32.10 - 32.20
Malaysia	3.8830 - 3.8935	2.5100 - 2.5110
Mexico	4840.60 - 4843.75	3125.00 - 3127.00
N.Zealand	2.9430 - 2.9475	1.9000 - 1.9025
Saudi Ar	5.6620 - 5.7760	3.7495 - 3.7505
Singapore	2.5055 - 2.5125	1.6190 - 1.6200
S.Af (Cm)	4.6035 - 4.6070	2.9720 - 2.9740
S.Af (Fn)	7.1880 - 7.2385	4.6405 - 4.6730
Taiwan	39.25 - 39.45	25.35 - 25.45
U.A.E	5.5440 - 5.6575	3.6715 - 3.6735

*Floating rate. Iran Official rate £104.15 $64.60

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Nov 3	% Change from Central Rate	% Spread v Weakest Currency	Divergence Indicator
Belgian Franc	41.9547	40.4551	-3.57	4.41	44
Dutch Guilder	2.29193	2.21255	-3.46	4.29	40
D-Mark	2.03412	1.96659	-3.32	4.13	42
Danish Krone	7.75901	7.54505	-2.76	3.53	4
French Franc	6.82216	6.66186	-2.35	3.10	-17
Irish Punt	0.759300	0.745051	-1.77	2.49	-40
Portuguese Escudo	176.844	175.184	-0.94	1.63	-7
Spanish Peseta	139.176	140.113	0.67	0.00	-36

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9) Sterling and Italian Lira suspended from ERM. Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Nov 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.5280 - 1.5570	1.5475 - 1.5485	0.64-0.62cpm	4.88	1.45-1.42pm	3.71
Canada	1.8975 - 1.9335	1.9275 - 1.9285	0.34-0.12cpm	1.43	0.76-0.53pm	1.34
Netherlands	2.7090 - 2.7330	2.7150 - 2.7250	0.23-0.32cdis	-1.21	1.00-1.14dis	-1.57
Belgium	49.20 - 50.10	49.70 - 49.80	3-6cdis	-1.09	14-21dis	-1.41
Denmark	9.1850 - 9.3320	9.2825 - 9.2925	1.96-4.01oredis	-3.60	6.66-10.69dis	-3.74
Ireland	0.9085 - 0.9250	0.9160 - 0.9170	0.62-0.72cdis	-8.77	1.92-2.20dis	-8.99
Germany	2.3950 - 2.4300	2.4175 - 2.4225	0.25-0.30pfdis	-1.36	1.02-1.11dis	-1.76
Portugal	214.15 - 216.70	215.10 - 216.10	225-275cdis	-13.91	590-700dis	-11.97
Spain	170.05 - 173.50	172.20 - 173.50	90-120cdis	-7.29	260-320dis	-6.71
Italy	2051.20 - 2081.50	2064.50 - 2065.50	11.50-15.00liredis	-7.70	36.00-40.30dis	-7.39
Norway	9.7470 - 9.9000	9.8625 - 9.8725	1.17-3.01oredis	-2.54	5.36-8.63dis	-2.84
France	8.1565 - 8.2265	8.1875 - 8.1975	0.12-0.15cdis	-0.20	0.47-0.52dis	-0.24
Sweden	9.0110 - 9.1510	9.0975 - 9.1075	3.33-5.00oredis	-5.49	9.89-13.93dis	-5.23
Japan	188.50 - 191.00	188.50 - 189.50	0.70-0.65ypm	4.29	1.75-1.69pm	3.64
Austria	16.84 - 17.12	17.06 - 17.09	¾-1¾grodis	-0.70	4-6¼dis	-1.23
Switzerland	2.1450 - 2.1660	2.1500 - 2.1600	0.32-0.24cpm	1.56	0.82-0.40pm	0.85
Ecu	1.2250 - 1.2350	1.2295 - 1.2305	0.26-0.32cdis	-2.83	0.83-0.92dis	-2.85

Commercial rates taken towards the end of London trading. Six-month forward dollar 2.37-2.32pm. 12 Month 3.85-3.75pm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Nov 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5280 - 1.5570	1.5475 - 1.5485	0.64-0.62cpm	4.88	1.45-1.42pm	3.71
Ireland†	1.6700 - 1.6950	1.6850 - 1.6860	1.85-1.75cpm	12.82	4.80-4.40pm	10.92
Canada	1.2385 - 1.2430	1.2410 - 1.2420	0.30-0.42cdis	-3.48	0.68-0.80dis	-2.38
Netherlands	1.7510 - 1.7750	1.7570 - 1.7580	0.88-0.91cdis	-6.11	2.31-2.36dis	-5.31
Belgium	32.05 - 32.45	32.10 - 32.20	15.50-16.50cdis	-5.97	40.00-43.00dis	-5.16
Denmark	5.9790 - 6.0480	5.9975 - 6.0025	3.50-5.00oredis	-8.50	10.00-12.50dis	-7.50
Germany	1.5540 - 1.5780	1.5630 - 1.5640	0.81-0.82pfdis	-6.26	2.13-2.15dis	-5.47
Portugal	139.40 - 139.80	139.40 - 139.50	230-255cdis	-20.87	545-590dis	-16.28
Spain	110.95 - 112.10	111.20 - 111.30	105-120cdis	-12.13	280-310dis	-10.61
Italy	1331.00 - 1351.25	1333.75 - 1334.25	13.00-15.00liredis	-12.89	36.00-38.50dis	-11.17
Norway	6.3340 - 6.4300	6.3725 - 6.3775	3.40-4.50oredis	-7.44	9.50-11.50dis	-6.59
France	5.2700 - 5.3420	5.2900 - 5.2950	2.96-3.06cdis	-6.82	8.00-8.20dis	-6.12
Sweden	5.8630 - 5.9450	5.8775 - 5.8825	4.60-5.60oredis	-10.41	12.00-14.50dis	-9.01
Japan	121.75 - 123.95	122.10 - 122.20	0.06-0.07ydis	-0.64	0.02-0.03dis	-0.08
Austria	11.0125 - 11.0450	11.0150 - 11.0200	5.05-5.50grodis	-5.75	13.30-14.40dis	-5.03
Switzerland	1.3865 - 1.4090	1.3920 - 1.3930	0.37-0.40cdis	-3.32	0.98-1.02dis	-2.87
Ecu†	1.2445 - 1.2605	1.2580 - 1.2590	0.82-0.78cpm	7.63	2.11-2.06pm	6.63

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Nov 3	Short term	7 days notice	One Month	Three Months	Six Months	One Year
Sterling	8 - 7¾	8 - 7¾	7⅞ - 7¾	7¼ - 7⅛	6⅞ - 6¾	6⅝ - 6½
US Dollar	3¼ - 3⅛	3¼ - 3⅛	3¼ - 3⅛	3⅜ - 3¼	3½ - 3⅜	4 - 3⅞
Can. Dollar	8 - 7½	7¾ - 7½	6¾ - 6½	6 - 5⅞	5⅞ - 5¾	5⅞ - 5¾
Dutch Guilder	9 - 8¾	9 - 8¾	8⅞ - 8¾	8¾ - 8⅝	8⅜ - 8¼	7⅞ - 7¾
Swiss Franc	6½ - 6¼	6½ - 6¼	6⅜ - 6¼	6⅛ - 6	5⅞ - 5¾	5¾ - 5⅝
D-Mark	9⅛ - 9	9⅛ - 9	9 - 8⅞	8⅞ - 8¾	8⅝ - 8½	8 - 7⅞
French Franc	9¾ - 9½	9¾ - 9½	9½ - 9⅜	9⅜ - 9¼	9 - 8⅞	8⅝ - 8½
Italian Lira	15 - 13	15 - 14½	15 - 14½	14½ - 14¼	14 - 13¾	13¾ - 13½
Belgian Franc	9¼ - 9⅛	9¼ - 9⅛	9 - 8⅞	8⅞ - 8¾	8⅝ - 8½	8 - 7⅞
Yen	4⅛ - 4	4⅛ - 4	3⅞ - 3¾	3⅝ - 3½	3⅝ - 3½	3⅝ - 3½
Danish Krone	12 - 11	13 - 12	13 - 12½	12⅜ - 12⅛	12 - 11¾	11½ - 11
Asian $Sing	1½ - 1	1¾ - 1⅝	1¾ - 1⅝	1⅞ - 1¾	2⅛ - 2	2½ - 2⅜
Spanish Peseta	13 - 12½	13⅛ - 12⅞	13⅝ - 13⅜	13⅝ - 13⅜	13⅝ - 13⅜	13⅝ - 13⅜

Long term Eurodollars: two years 4⅛-4 per cent; three years 5-5⅞ per cent; four years 6¼-6⅛ per cent; five years 6¼-6⅛ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Nov.3	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	Pta.	Ecu
£	1	1.548	2.420	189.0	8.193	2.155	2.720	2065	1.928	49.75	172.4	1.230
$	0.646	1	1.563	122.1	5.293	1.392	1.757	1334	1.245	32.14	111.4	0.795
DM	0.413	0.640	1	78.10	3.386	0.890	1.124	853.3	0.797	20.56	71.24	0.508
YEN	5.291	8.190	12.80	1000.	43.35	11.40	14.39	10926	10.20	263.2	912.2	6.508
F Fr.	1.221	1.889	2.954	230.7	10.	2.630	3.320	2520	2.353	60.72	210.4	1.501
S Fr.	0.464	0.718	1.123	87.70	3.802	1	1.262	958.2	0.895	23.09	80.00	0.571
H Fl.	0.368	0.569	0.890	69.49	3.012	0.792	1	759.2	0.709	18.29	63.38	0.452
Lira	0.484	0.750	1.172	91.53	3.968	1.044	1.317	1000.	0.934	24.09	83.49	0.596
C$	0.519	0.803	1.255	98.03	4.249	1.118	1.411	1071	1	25.80	89.42	0.638
B Fr.	2.010	3.112	4.864	379.9	16.47	4.332	5.467	4151	3.875	100.	346.5	2.472
Pta	0.580	0.898	1.404	109.6	4.752	1.250	1.578	1198	1.118	28.86	100.	0.713
Ecu	0.813	1.259	1.967	153.7	6.661	1.752	2.211	1679	1.567	40.45	140.2	1.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS £50,000 64ths of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	Mar
97	3-36	4-03	0-12	1-21
98	2-43	3-22	0-21	1-40
99	1-59	2-49	0-37	2-03
100	1-18	2-16	0-60	2-34
101	0-52	1-53	1-30	3-07
102	0-30	1-27	2-08	3-45
103	0-16	1-16	2-58	4-34
104	0-08	0-55	3-50	5-09

Estimated volume total, Calls 3500 Puts 3333
Previous day's open int. Calls 57207 Puts 66459

LIFFE US TREASURY BOND FUTURES OPTIONS $100,000 64ths of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	Mar
99	3-43	3-30	0-07	1-12
100	2-52	2-54	0-18	1-36
101	2-01	2-19	0-31	2-01
102	1-23	1-53	0-53	2-35
103	0-54	1-27	1-20	3-09
104	0-31	1-06	1-61	3-52
105	0-16	0-53	2-46	4-35
106	0-08	0-39	3-38	5-21

Estimated volume total, Calls 20 Puts 0
Previous day's open int. Calls 1320 Puts 1235

LIFFE BUND FUTURES OPTIONS DM250,000 points of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	Mar
8950	1.81	2.34	0.02	0.17
9000	1.34	1.93	0.05	0.26
9050	0.90	1.56	0.11	0.39
9100	0.52	1.23	0.23	0.56
9150	0.26	0.93	0.47	0.78
9200	0.13	0.71	0.84	1.04
9250	0.06	0.52	1.27	1.35
9300	0.03	0.37	1.74	1.70

Estimated volume total, Calls 1732 Puts 2279
Previous day's open int. Calls 160367 Puts 127292

LIFFE EUROMARK OPTIONS DM1m points of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	Mar
9075	0.79	1.72	0.02	0.03
9100	0.56	1.49	0.04	0.05
9125	0.36	1.26	0.09	0.07
9150	0.21	1.04	0.19	0.10
9175	0.12	0.83	0.35	0.14
9200	0.07	0.64	0.55	0.20
9225	0.03	0.47	0.76	0.28
9250	0.02	0.36	1.00	0.42

Estimated volume total, Calls 1713 Puts 4140
Previous day's open int. Calls 156817 Puts 104837

LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS Lira 200m 100ths of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	Mar
9150	2.24	3.57	0.25	1.25
9200	1.86	3.25	0.39	1.43
9250	1.48	2.95	0.51	1.63
9300	1.15	2.67	0.70	1.85
9350	0.87	2.41	0.92	2.09
9400	0.65	2.16	1.18	2.34
9450	0.46	1.93	1.49	2.61
9500	0.29	1.72	1.84	2.90

Estimated volume total, Calls 914 Puts 214
Previous day's open int. Calls 19945 Puts 11192

LIFFE SHORT STERLING OPTIONS £500,000 points of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	Mar
9250	0.97	1.52	0.07	0.11
9275	0.76	1.31	0.11	0.15
9300	0.56	1.11	0.16	0.20
9325	0.40	0.91	0.25	0.25
9350	0.27	0.74	0.37	0.33
9375	0.17	0.58	0.52	0.42
9400	0.11	0.45	0.71	0.54
9425	0.07	0.33	0.92	0.67

Estimated volume total, Calls 4351 Puts 4350
Previous day's open int. Calls 147894 Puts 141440

LIFFE EURO SWISS FRANC OPTIONS SFR 1m points of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	Mar
9350	0.35	0.88	0.14	0.11
9375	0.20	0.68	0.24	0.16
9400	0.11	0.51	0.40	0.24

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 1360 Puts 1810

LONDON (LIFFE)

9% NOTIONAL BRITISH GILT * £50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	100-15	100-28	100-10	100-11
Mar	99-28	100-05	100-04	99-23

Estimated volume 24949 (21494)
Previous day's open int. 53826 (53082)

US TREASURY BONDS 8% * $100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	102-30	102-30	102-04	102-17
Mar	101-22			101-09

Estimated volume 144 (368)
Previous day's open int. 1360 (1385)

6% NOTIONAL GERMAN GOVT. BOND * DM250,000 100ths of 100%

	Close	High	Low	Prev.
Dec	91.44	91.46	91.30	91.29
Mar	91.86	91.85	91.73	91.67

Estimated volume 28031 (25829)
Previous day's open int. 157851 (159711)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low
Dec	107.68	107.69	107.63
Mar	107.03		

Estimated volume 253 (381)
Traded exclusively on APT

12% NOTIONAL ITALIAN GOVT. BOND (BTP) * LIRA 200m 100ths of 100%

	Close	High	Low	Prev.
Dec	93.66	93.79	92.95	93.45
Mar	94.08			93.82

Estimated volume 13299 (11711)
Previous day's open int. 24099 (23021)

THREE MONTH STERLING * £500,000 points of 100%

	Close	High	Low	Prev.
Dec	93.59	93.61	93.41	93.40
Mar	94.07	94.08	93.94	93.91
Jun	94.00	94.02	93.91	93.88
Sep	93.78	93.79	93.70	93.67
Dec	93.53	93.53	93.45	93.44
Mar	93.27	93.28	93.19	93.19

Est. Vol. inc. figs. not shown 37064 (25881)
Previous day's open int. 236475 (234303)

THREE MONTH EURODOLLAR * $1m points of 100%

	Close	High	Low	Prev.
Dec	96.37	96.37	96.26	96.29
Mar	96.41	96.41	96.29	96.33
Jun	95.94	95.93	95.82	95.87
Sep	95.45	95.43	95.37	95.42

Est. Vol. inc. figs. not shown 1875 (1700)
Previous day's open int. 25582 (26157)

THREE MONTH EUROMARK * DM 1m points of 100%

	Close	High	Low	Prev.
Dec	91.53	91.57	91.50	91.51
Mar	92.56	92.57	92.43	92.44
Jun	93.05	93.05	92.92	92.92
Sep	93.33	93.34	93.22	93.20
Dec	93.42	93.42	93.33	93.30
Mar	93.50	93.50	93.40	93.40

Estimated volume 56646 (31930)
Previous day's open int. 401087 (402970)

THREE MONTH ECU ECU 1m points of 100%

	Close	High	Low	Prev.
Dec	90.43	90.50	90.41	90.45
Mar	91.49	91.50	91.46	91.46
Jun	91.92	91.91	91.81	91.80
Sep	92.16	92.17	92.13	92.08

Estimated volume 1465 (788)
Previous day's open int. 10604 (10654)

THREE MONTH EURO SWISS FRANC SFR 1m points of 100%

	Close	High	Low	Prev.
Dec	93.75	93.77	93.69	93.71
Mar	94.35	94.35	94.28	94.27
Jun	94.68	94.64	94.59	94.58
Sep	94.76	94.76	94.76	94.67

Estimated volume 4413 (5040)
Previous day's open int. 38350 (38639)

THREE MONTH EUROLIRA INT. RATE LIRA 1,000m points of 100%

	Close	High	Low	Prev.
Dec	86.40	86.57	86.32	86.54
Mar	87.76	87.77	87.67	87.76
Jun	88.00	88.00	87.95	87.97
Sep	88.08	88.08	88.08	88.00

Estimated volume 2522 (1510)
Previous day's open int. 18649 (18366)

FT-SE 100 INDEX * £25 per full index point

	Close	High	Low	Prev.
Dec	2741.0	2744.0	2719.0	2714.0
Mar	2761.0	2743.0	2743.0	2734.0
Jun	2776.0			2749.0

Estimated volume 8245 (7941)
Previous day's open int. 44119 (45635)

* Contracts traded on APT. Closing prices shown.

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.5480	1.5417	1.5346	1.5246	1.5100

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev.
Dec	102-20	102-24	102-03	102-16
Mar	101-14	101-16	100-29	101-09
Jun	100-06	100-07	99-22	100-02
Sep	-	-	-	98-30
Dec	-	-	-	97-25
Mar	-	-	-	96-23
Jun	-	-	-	95-23
Sep	-	-	-	94-26
Dec	-	-	-	94-00

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev.
Dec	96.88	96.88	96.83	96.86
Mar	96.79	96.79	96.71	96.75
Jun	96.40	96.40	96.33	96.36
Sep	-	-	-	95.96

BRITISH POUND (IMM) $ per £

	Latest	High	Low	Prev.
Dec	1.5432	1.5500	1.5206	1.5240
Mar	1.5316	1.5400	1.5230	1.5132
Jun	1.5250	1.5250	-	1.5042

SWISS FRANC (IMM) SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Dec	0.7147	0.7190	0.7080	0.7118
Mar	0.7105	0.7145	0.7063	0.7070
Jun	0.7070	0.7100	0.7030	0.7031

JAPANESE YEN (IMM) Y12.5m $ per Y100

	Latest	High	Low	Prev.
Dec	0.8174	0.8205	0.8069	0.8079
Mar	0.8175	0.8210	0.8084	0.8082
Jun	0.8095	0.8095	0.8095	0.8090

DEUTSCHE MARK (IMM) DM125,000 $ per DM

	Latest	High	Low	Prev.
Dec	0.6353	0.6381	0.6300	0.6330
Mar	0.6281	0.6305	0.6245	0.6254
Jun	0.6230	0.6250	0.6230	0.6194
Sep	-	-	-	0.6149

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev.
Dec	96.33	96.34	96.25	96.29
Mar	96.37	96.39	96.28	96.31
Jun	95.92	95.92	95.81	95.86
Sep	95.46	95.46	95.36	95.40
Dec	94.78	94.79	94.72	94.77
Mar	94.55	94.55	94.46	94.52
Jun	94.17	94.18	94.09	94.14
Sep	93.86	93.87	93.80	93.84

STANDARD & POORS 500 INDEX $500 times index

	Latest	High	Low	Prev.
Dec	420.90	422.25	420.80	422.05
Mar	421.40	422.65	421.40	422.55
Jun	422.20	423.10	421.90	423.00
Sep	422.90	423.70	422.70	423.65

PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per £1)

Strike Price	Calls Nov	Dec	Jan	Mar	Puts Nov	Dec	Jan	Mar
1.650	-	0.43	0.94	1.57	-	11.34	12.36	13.53
1.675	-	0.22	0.61	0.15	-	13.67	14.52	15.60
1.700	-	0.05	0.36	0.82	-	16.03	16.76	17.75
1.725	-	-	0.19	0.57	-	18.44	19.08	19.98
1.750	-	0.01	0.09	0.38	20.26	20.89	21.44	22.26
1.775	-	0.01	0.07	0.25	22.85	23.35	23.85	24.60
1.800	-	-	0.05	0.10	25.35	25.82	26.27	26.76

Previous day's open int: Calls N/A Puts N/A (All currencies)
Previous day's volume: Calls N/A Puts N/A (All currencies)

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES (Oct.30)

	Open	Sett price	Change	High	Low	† Yield	† Open int.
December	110.66	110.60	+0.16	110.74	110.46	8.41	191,452
March	111.44	111.40	+0.18	111.44	111.28	8.29	92,191
June	111.60	111.54	+0.16	111.60	111.44	8.27	9,465

Estimated volume 96,840 † Total Open Interest 293,098

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate) (Oct.30)

December	90.71	90.81	+0.10	90.85	90.71	9.29	41,246
March	91.70	91.82	+0.12	91.85	91.70	8.30	42,883
June	92.21	92.29	+0.10	92.37	92.21	7.81	22,750
September	92.47	92.47	+0.13	92.48	92.40	7.46	12,399

Estimated volume 30,792 † Total Open Interest 129,176

CAC-40 FUTURES (MATIF) Stock Index (Oct.30)

November	1782.0	1808.0	+65.0	1808.0	1775.0	-	16,941
December	1797.0	1822.5	+66.5	1814.0	1792.0	-	3,540
January	1814.0	1835.5	-	1814.0	1814.0	-	-
March	1842.0	1863.0	+57.0	1845.0	1842.0	-	1,496

Estimated volume 13,440 † Total Open Interest 27,940

ECU BOND (MATIF) (Oct.30)

December	105.82	105.54	-0.14	105.90	105.52	8.95	13,864

Estimated volume 1,987 † Total Open Interest 13,864

OPTION ON LONG-TERM FRENCH BOND (MATIF) (Oct.30)

Strike	Calls December	March	June	Puts December	March	June
107	3.60	4.45	-	-	0.20	-
108	2.62	-	-	0.04	0.30	-
109	1.66	2.81	-	0.08	0.47	-
110	0.83	-	-	0.24	0.79	-
111	0.27	1.46	1.98	0.67	1.11	1.98
Open int.	266,526	137,131	10,242	238,263	98,924	1,760

Estimated volume 27,809 † Total Open Interest 744,846
† All Yield & Open Interest figures are for the previous day.

BASE LENDING RATES

	%		%		%
Adam & Company	8	Credit Lyonnais	8	McDonnell Douglas Bnk	8
Allied Trust Bank	8	Cyprus Popular Bk	8	Midland Bank	8
AIB Bank	8	Duncan Lawrie	8	Mount Banking	8
● Henry Ansbacher	8	Equatorial Bank plc	8	NatWestminster	8
B & C Merchant Bank	13	Exeter Bank Limited	8.5	Northern Bank Ltd	8
Bank of Baroda	8	Financial & Gen. Bank	8	Nykredit Mortgage Bank	8.5
Banco Bilbao Vizcaya	8	● Robert Fleming & Co	8	● Rea Brothers	8
Bank of Cyprus	8	Girobank	8	Roxburghe Bank Ltd	10
Bank of Ireland	8	● Guinness Mahon	8	Royal Bk of Scotland	8
Bank of India	8	Habib Bank AG Zurich	8	● Smith & Williamson Secs	8
Bank of Scotland	8	● Hambros Bank	8	Standard Chartered	8
Banque Belge Ltd	8	Hampshire Trust Plc	13.5	TSB	8
Barclays Bank	8	Heritable & Gen Inv Bnk	8	Unibank plc	8
Brit Bk of Mid East	8	● Hill Samuel	8	● United Bk of Kuwait	8
● Brown Shipley	8	C. Hoare & Co	8	Unity Trust Bank Plc	8
CL Bank Nederland	8	Hongkong & Shanghai	8	Western Trust	8
Citibank NA	8	Julian Hodge Bank	8	Whiteaway Laidlaw	8
City Merchants Bank	8	● Leopold Joseph & Sons	8	Yorkshire Bank	8
Clydesdale Bank	8	Lloyds Bank	8		
Co-operative Bank	8	Meghraj Bank Ltd	8		
Coutts & Co	8				

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKETS

Ignore the bad news

BULLISH sentiment dominated most of Europe's money markets yesterday, with the short-dated sterling and D-Mark futures all showing strong rises, *writes James Blitz.*

However, some dealers thought that these moves, reflecting confidence that interest rates will soon come down, were flying in the face of reality.

In Britain, the political crisis is reaching a climax. Today's vote in the UK parliament on whether to move towards ratifying the Maastricht treaty looks set to be close, leaving the future of Mr John Major's government very uncertain.

In Germany, the Bundesbank shows a new unwillingness to cut official rates. Mr Helmut Schlesinger, the Bundesbank President, said yesterday that further cuts in interest rates depended on success in reducing the budget deficit for 1993.

However, dealers in Europe's futures and cash markets seemed blissfully unaware of the darkening clouds.

Cash rates in the sterling money market dropped sharply with 3-month interbank rates offered at 7⅛ per cent, their lowest level since 8 per cent base rate was introduced. Three-month certificates of deposit were as low as 7⅛ per cent, discounting a full percentage point cut in rates. December short sterling was up 20 basis points on the day, closing at 93.60.

In Euromark trading, the March contract was up 10 basis points on the day, at 92.55, pricing in a 145 basis point drop in 3-month rates by the spring.

Dealers doubtless had reasons for taking an aggressively bullish view. In Britain, the assumption was that another cut in UK interest rates will be announced with next week's Autumn statement. The small shortage of £200m forecast by the Bank of England yesterday also helped sentiment.

A report yesterday from the German Federation of Chambers of Commerce pointed to increased economic gloom, implying the need to stimulate the economy. The Chamber said that a third of Western German firms expect to cut their workforce next year.

The wonder was that French franc futures closed unchanged at 90.81, in the market's first full trading day following Monday's cut in French official rates.

UK clearing bank base lending rate
8 per cent
from October 16, 1992

FT LONDON INTERBANK FIXING

(11.00 a.m. Nov.3) 3 months US dollars		6 months US Dollars	
bid 3½	offer 3⅝	bid 3⅝	offer 3¾

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK Treasury Bills and Bonds

Lunchtime					
Prime rate	6	One month	2.87	Three year	4.88
Broker loan rate	5	Two month	2.90	Five year	5.90
Fed. funds	3¼	Three month	3.09	Seven year	6.40
Fed. funds at intervention	-	Six month	3.33	10-year	6.85
		One year	3.54	30-year	7.53
		Two year	4.40		

Nov.3	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	8.90-9.00	8.80-8.95	8.75-8.90	8.75-8.90	8.40-8.60	9.50
Paris	9¼-9⅜	9½-9⅝	-	9⅜-9⅞	-	9.35
Zurich	6¼-6½	6¼-6⅜	-	6⅛-6⅜	-	-
Amsterdam	8.75-8.88	8.80-8.90	-	8.70-8.80	-	-
Tokyo	3⅜-3½	3⅜-3½	-	-	-	-
Milan	14¼-14½	14⅛-14⅜	-	14⅛-14⅜	-	-
Brussels	9¼-9⅜	8⅞-8⅞	-	8⅞-8⅞	-	-
Dublin	14¼-15	14¼-15	14¼-14½	13¾-14¼	13-12¼	-

LONDON MONEY RATES

Nov 3	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	8⅝	8⅛	8⅛	7½	7⅛	6¾
Interbank Bid	4	7¾	7¾	7⅜	6⅞	6⅝
Sterling CDs	-	-	7⅞	7⅜	6⅞	-
Local Authority Deps.	8	8⅛	8	7¼	6⅞	6¾
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	8	8	-	-	-	-
Company Deposits	-	-	-	-	-	-
Finance House Deposits	-	-	8⅛	7½	6⅞	6¾
Treasury Bills (Buy)	-	-	7⅝	6⅞	6⅝	-
Bank Bills (Buy)	-	-	7⅝	6¾	6⅝	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	3.15	3.43	3.47	3.80
SDR Linked Dep. Offer	-	-	5⅝	5⅝	5½	5¼
SDR Linked Dep. Bid	-	-	5⅞	5⅞	5⅜	5⅛
ECU Linked Dep. Offer	-	-	10⅝	10⅛	9⅝	9⅛
ECU Linked Dep. Bid	-	-	10⅛	10	9½	9

Treasury Bills (sell); one-month 7½ per cent; three months 6⅞ per cent; six months 6½ per cent; Bank Bills (sell); one-month 7⅛ per cent; three months 6¾ per cent; Treasury Bills; Average tender rate of discount 6.7575 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day October 30, 1992. Agreed rates for period November 25, 1992 to December 25, 1992, Scheme I: 9.77 p.c., Schemes II & III, 9.63 p.c. Reference rate for period October 1, 1992 to October 30, 1992, Scheme IV&V: 8.454 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 9½ from November 1, 1992: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 4¾ per cent; one-three months 7 per cent; three-six months 6½ per cent; six-nine months 6¼ per cent; nine-twelve months 6 per cent; Under £100,000 4¼ per cent from Oct 20, 1992. Deposits withdrawn for cash 4 per cent.

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MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd 48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fund	8.06	-	8.30	3 Mth
Deposits Over £1 million	8.16	-	8.41	3 Mth
Deposits Over £2 million	8.26	-	8.51	3 Mth
The COIF Charities Deposit Account 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	8.75	-	9.04	3-Mth
Cent. Bd. of Fin. of Church of England 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	8.75	-	9.04	3-Mth
Gartmore Money Management Ltd 16-18 Monument St, London EC3R 8QQ 071-236 1425, TESSA Desk 071 236 9362				
Call Fund	7.48	5.61	7.61	6-Mth
7-day Fund	7.77	5.82	7.92	6-Mth
Special Fund	7.48	5.61	7.74	1-Mth
Dollar	1.97	1.47	1.98	3-Mth
TESSA Prime	7.30	-	7.50	3-Mth
TESSA Plus	7.06	-	7.25	3-Mth
TESSA Saver	6.82	-	7.00	3-Mth

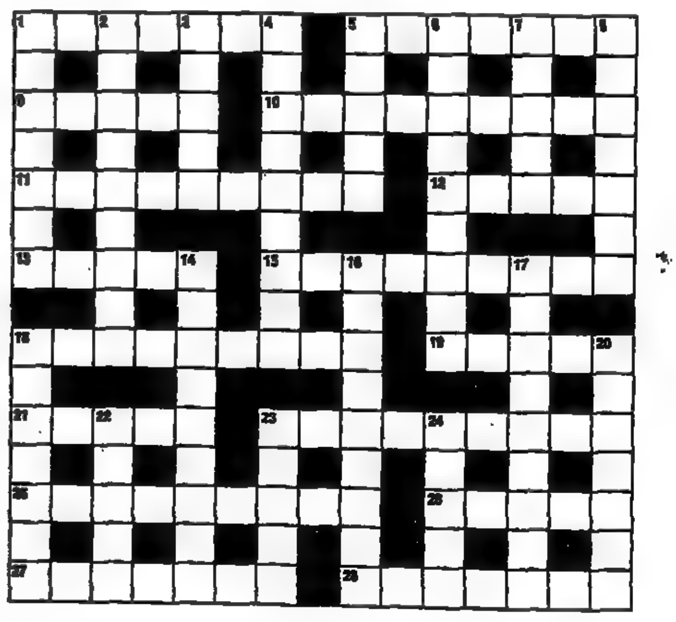
Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
AIB Bank High Interest Cheque Account Belmont Rd, Uxbridge UB8 1SA 0800 282115				
£2,500-£9,999	4.61	3.45	4.68	Qtr
£10,000+	5.58	4.19	5.70	Qtr
Aitken Hume Bank plc 30 City Road, EC1Y 2AY 071-638 6070				
Treasury Acc	6.50	4.875	6.66	Qtr
Mth Int Chq £1,000-£4,999	6.50	4.875	6.70	Mth
Mth Int Chq £5,000-£49,999	7.00	5.25	7.23	Mth
Mth Int Chq £50,000+	7.50	5.625	7.76	Mth
Allied Trust Bank Ltd 97-101 Cannon St, London, EC4N 5AD 071-626 0879				
TREMHA (£2,001+)	8.84	6.63	8.84	Yearly
TOMHA (£2,001+)	8.30	6.22	8.30	Yearly
OMHA (£2,001+)	7.98	5.98	7.98	Yearly
HICA (£2,001+)	6.60	4.95	6.80	Mth
Premier TESSA	10.58	7.94	10.58	Yearly
American Express Bank Ltd Sussex House, Burgess Hill, West Sussex, RH15 9AW 0444 232444, High Performance Cheque Account, Cashmaster				
£500-£999	2.60	1.95	2.63	Mth
£1,000-£4,999	6.50	4.88	6.70	Mth
£5,000-£9,999	6.75	5.06	6.96	Mth
£10,000-£24,999	7.00	5.25	7.23	Mth
£25,000-£49,999	7.25	5.44	7.50	Mth
£50,000-£99,999	7.75	5.81	8.03	Mth
£100,000+	7.75	5.81	8.03	Mth
Bank of Ireland High Interest Cheque Acc 36-40 High St, Slough SL1 1EL 0753 516516				
£10,000+	6.25	4.688	6.398	Qtr
£2,000-£9,999	6.00	4.50	6.136	Qtr
Bank of Scotland 38 Threadneedle St, EC2P 2EH 071-601 6446				
MM Chq Acc £2,500-£24,999	6.64	4.98	6.85	Mth
£25,000+	6.88	5.16	7.10	Mth
Bank of Wales – Business Accounts Kingsway, Cardiff CF1 4YB 0222 229922				
Comm Account £25,000+	6.00	-	6.16	Qtr
Instant Account £25,000+	6.50	-	6.70	Mth
Barclays Select PO Box 120, Westwood Bs Pk, Coventry 0800 400100				
£2,000-£9,999	5.60	4.20	5.60	Yearly
£10,000-£24,999	6.60	4.95	6.60	Yearly
£25,000-£49,999	6.90	5.18	6.90	Yearly
£50,000+	[illegible]	[illegible]	[illegible]	Yearly
Barclays Prime Account H.I.C.A.	[illegible]	[illegible]	[illegible]	[illegible]
Brown Shipley & Co Ltd	[illegible]	[illegible]	[illegible]	[illegible]
Caledonian Bank Plc	[illegible]	[illegible]	[illegible]	[illegible]
Cater Allen Ltd	[illegible]	[illegible]	[illegible]	[illegible]
Charterhouse Bank Limited	[illegible]	[illegible]	[illegible]	[illegible]
Clydesdale Bank Flexible Solution Acc	[illegible]	[illegible]	[illegible]	[illegible]
Confederation Bank Limited	[illegible]	[illegible]	[illegible]	[illegible]
Co-operative Bank	[illegible]	[illegible]	[illegible]	[illegible]
Coutts & Co Reserve Account, 15 Lombard St, London EC3V 9AU 071-623 1010, For personal customers				
£50,000+	5.875	4.41	6.01	Qtr
£20,000-£49,999	5.375	4.03	5.48	Qtr
£5,000-£19,999	4.875	3.66	4.97	Qtr
For business, charities and societies				
£250,000-£1,200,000	5.50	4.125	5.61	Qtr
£25,000-£99,999	5.25	3.94	5.35	Qtr
£10,000-£24,999	4.625	3.47	4.71	Qtr
Coutts Competitive Account, 27 Bush Lane London EC4R 0AA 071-623 3434	7.25	-	-	-
Dao Heng Bank (London) PLC Premier Acc 86 Newman Street, W1P 3LD. 071-637 3313				
£2,500-£10,000	6.50	4.88	6.66	Qtr
£10,001-£20,000	6.75	5.06	6.92	Qtr
£20,000+	7.50	5.63	7.71	Qtr
Fidelity Money Market Account Fidelity Brokerage Services Ltd, Oakhill House, Hildenborough, Kent TN11 9DZ				
£1-£49,999	6.5	4.875	6.66	Qtr
£50,000-£249,999	7.0	5.25	7.186	Qtr
£250,000-£499,999	7.625	5.719	7.846	Qtr
£500,000+ Money Market Rates on request				
Gartmore Money Management Ltd 16-18 Monument St London EC3R 8QQ 071-236 1425				
HICA £10,000+	7.25	5.43	7.45	3-Mth
Halifax Bldg Soc Asset Reserve Cheque Acc Trinity Road, Halifax HX1 2RG 0422 335333				
£5,000-£9,999	6.15	4.61	6.29	Qtr
£10,000-£24,999	6.85	5.14	7.03	Qtr
£25,000-£49,999	7.20	5.40	7.40	Qtr
£50,000 and above	8.00	6.00	8.24	Qtr
Julian Hodge Bank Ltd 10 Windsor Place Cardiff CF1 3BX 0222 220800				
6 Mth Fixed Rate Dep Acc	9.00	6.75	-	-
Extra High Interest Deposit Account				
£50,000+	8.75	6.56	9.04	Qtr
£10,000+	8.50	6.38	8.77	Qtr
£5,000+	8.00	6.00	8.24	Qtr
Humberclyde Finance Group 5 Bartley Way, Hook Basingstoke 0256 760000				
£50,000+	8.00	6.00	8.24	Qtr
Leopold Joseph & Sons Limited 29 Gresham Street, London EC2V 7EA 071 588 2323, Treasury High Interest Cheque Account				
£25,001-£100,000	7.50	5.625	7.714	Qtr
£100,001 plus	7.75	5.8125	7.978	Qtr
Kleinwort Benson Ltd 198 Kentish Town Rd London NW5 2BT 071 267 1586				
H.I.C.A. (£2,500+)	7.25	5.4375	7.4965	Daily
Lloyds Bank – Investment Account 71 Lombard St, London EC3P 3BS 0272 433372				
£50,000 and above	7.00	5.25	7.00	Yearly
£25,000+	6.70	5.03	6.70	Yearly
£10,000+	6.50	4.88	6.50	Yearly
Midland Bank plc PO Box 2, Sheffield 0742 529394				
Exchequer Acc £5000+	6.25	4.69	6.25	Yearly
£10,000+	7.00	5.25	7.00	Yearly
£25,000+	7.50	5.63	7.50	Yearly
£50,000+	8.50	6.38	8.50	Yearly
TESSA	7.75	-	7.75	Yearly
NatWest Crown Reserve Account 41 Lothbury, London, EC2P 2BP 0800 200 400				
£50,000+	7.50	5.63	7.71	-
£25,000-£49,999	7.125	5.34	7.32	3-Mth
£10,000 to £24,999	6.625	4.97	6.79	3-Mth
£2,000-£9,999	6.125	4.59	6.27	3-Mth
Nationwide Bldg Soc – BusinessInvestor Business High Interest Investment Account, Pipers Way, Swindon SN38 1NW 0800 335599				
£2,000-£4,999	6.00	4.50	6.14	Qtr
£5,000-£9,999	7.00	5.25	7.19	Qtr
£10,000-£24,999	7.50	5.63	7.71	Qtr
£25,000-£49,999	8.00	6.00	8.24	Qtr
£50,000+	8.50	6.38	8.77	Qtr
Portman Bldg Soc Prestige Cheque Account Richmond Hill, Bournemouth, BH2 6EP 0800 663643	[illegible]	[illegible]	[illegible]	[illegible]
Provincial Bank PLC	[illegible]	[illegible]	[illegible]	[illegible]
Royal Bank of Scotland plc Premium Acc	[illegible]	[illegible]	[illegible]	[illegible]
Save & Prosper/Robert Fleming	[illegible]	[illegible]	[illegible]	[illegible]
Sterling Bank & Trust Ltd	[illegible]	[illegible]	[illegible]	[illegible]
Tyndall & Co Ltd	[illegible]	[illegible]	[illegible]	[illegible]
ULC Trust Limited	[illegible]	[illegible]	[illegible]	[illegible]
United Dominions Trust Ltd	[illegible]	[illegible]	[illegible]	[illegible]
J. Henry Schroder Wagg & Co Ltd	[illegible]	[illegible]	[illegible]	[illegible]
Western Trust High Interest Cheque Acc	[illegible]	[illegible]	[illegible]	[illegible]
Wimbledon & South West Finance PLC	[illegible]	[illegible]	[illegible]	[illegible]

NOTES – [illegible]

CROSSWORD

No.7,994 Set by GRIFFIN



ACROSS
1 Bet took a stroll after midnight (7)
5 Relative walks over (7)
9 Spoilt lad takes Elizabeth's shrub (5)
10 Lie in a circle when striking (9)
11 Some fifty youngsters, initially OK (9)
12 Couple left with countryman (5)
13 Prevent some renegade terrorist's action (5)
15 They deceive one million people sending letters (9)
18 Carrying a child's bed head for the sea (9)
19 Head of security to catch a crawler (5)
21 Trouble Virginia, taking advantage (5)
23 Phone obese man before producing children (9)
25 Cold macaroni mixture causes cancer (9)
26 Very good engineer encloses bearing section (5)
27 Found out what sage is? (7)
28 Len's replacement, first in, signs on (7)

DOWN
1 Looked round church organ (7)
2 Heath admits trade improved for Presbyterian president (9)
3 One particular variety hides an immature insect (5)
4 Kind of trousers Ian ripped off (9)
5 Shoot rider standing on beam (5)
6 Writers' first attempts to embrace (9)
7 Staff criticism (5)
8 Grabbing string single eccentric finds fault (7)
14 Soldiers bill one for dispersing uprising (9)
16 Go through enclosure to meet me without charge (9)
17 Noticed Max, that is, covering up for candidates (9)
18 Scrub hard in part of church (7)
20 Sells liquid, for example, assuming it's drunk (7)
22 Large vessel carrying vital fluid (5)
23 Jack takes car round Norwegian inlet (5)
24 Cross with parking swimmer's about to drive out (5)

Solution to Puzzle No.7,933

P	O	L	L	E	D		V	A	N	B	U	R	E	N
O		A		G		A		N		A		E		A
L	I	N	C	O	L	N		S	E	C	O	N	D	S
I		D		B		V		W		K		E		A
T	A	F	T		E	I	S	E	N	H	O	W	E	R
I		O		L		L		R		A				D
C	A	R	T	E	R		K	E	N	N	E	D	Y	
S		C		U		C		D		D		O		I
	L	E	X	I	C	O	N		R	E	A	G	A	N
O				E		N		C		H		C		E
W	A	S	H	I	N	G	T	O	N		F	O	R	D
L		A		M		R		M		U		L		I
I	L	L	F	A	M	E		F	A	N	C	L	U	B
S		V		T		Y		Y		D		A		L
H	O	O	V	E	R	E	D		M	O	N	R	O	E

هكذا اصل الأصل

WORLD STOCK MARKETS

AUSTRIA

November 3	Sch	+ or −
Austrian Airlines	2,050	+35
Creditanstalt Pf	439	+4
EA General	3,160	+70
EVN	787	+2
Jungbunzlauer	16,510	....
OeMV	681	+11
Perlmooser Zement	1,090	−10
Radex Heraklith	427	+8
Reininghaus Brau	990	+2
Steyr Daimler	184	+1
Veitscher Magnesit	239	−2
Verbund (Br) A	413	+2
Vienna Int Airport	465	−1
Wienerberger	3,115xr	+30
Z-Laenderbank	1,012	−22

BELGIUM/LUXEMBOURG

November 3	Frs.	+ or −
AG Group	2,130	+30
Ackermans	2,450	....
Almanij	6,190	+50
Arbed	2,020	+20
BBL	3,425	−15
Bank Intl a Lux	11,500	....
Banq Gen Lux Pts	11,950	−200
Banque Nat Belg	32,375	+275
Bekaert	12,500	+100
CBR Ciment	7,570	+150
CMB	1,650	+30
Cobepa	4,350	....
Cockerill Priv	112	....
Colruyt	5,000	−140
Delhaize Frs Lion	1,705	+75
Electrabel	5,340	+50
Electrabel AFV1	5,170	+10
Electrafina ACT	2,210	−10
GBL	2,685	+115
GBL AFV I	2,650	+110
GIB Group	1,392	+4
Generale Banque	7,420	+120
Gevaert	6,230	−30
Glaverbel	3,290	−20
Immobel	2,400	−55
Kredietbank	5,570	−60
Kredietbank AFV	5,330	−20
Mecaniver	5,450	+150
Mosane	1,368	....
Pan Holding Lux	12,000	−100
Petrofina	8,310	+230
Powerfin	2,270	+30
Recticel	308	+1
Royale Belge	3,990	+70
Royale Belge AFV I	3,900	−50
Soc Gen Belge	1,825	+5
Soc Gen Belge AFV	1,850	+70
Sofina	10,525	−175
Solvac	1,280	−10
Solvay	11,650	+25
Tractebel	8,000	....
UCB	23,150	+150
Union Miniere	2,185	+40

DENMARK

November 3	Kr	+ or −
Baltica Holding Reg	185	+10
Bikuben	188	+2
Carlsberg A	273	+4
D/S 1912 A	77,000	+3,750
Danisco	605xd	−5
Den Danske Bank	204	+4.80
East Asiatic	94	+2
FLS Ind B	415	+9
Great Nordic	276	....
ISS Intl Serv B	855	+5
Jyske Bank Reg	180	....
Lauritzen (J) B	1,500	....
NKT A/S	190	+2
Novo Nord B	515	....
Sophus Berend B	400	+7
Superfos	393	+3
TopDanmark	720	....
Unidanmark A	109	+3

FINLAND

November 3	Mks	+ or −
Amer	75	−1.90
Cultor	75	+4
Enso R	18.80	+1
Huhtamaki I Free	156	....
KOP	9.50	+0.50
Kone B Free	420	−5
Kymmene	68	+2.50
Metra B Free	77.50	+5.50
Nokia Pref Free	60.90	+4.90
Pohjola B Free	34	+2
Repola (Free)	45	+2.50
Stockmann B	124	....
Tampella Free	16	+0.50
Unitas Bk C Free	6.20	+0.30

FRANCE

November 3	Frs.	+ or −
AGF	409	−1
Accor	569	+21
Air Liquide	761	+11
Alcatel Alsthom	659	+19
Auxil Entrepr	720	....
Axa	861	+17
BIC	872	+12
BSN	1,023	+33
BNP Cert Inv	371	+3
Bancaire Cie	373.50	+13.60
Bongrain	3,227	−8
Bouygues	474.20	+4.30
CGIP	949	+21
Canal+	976	+16
Cap Gemini S	170.50xr	+7.20

FRANCE (continued)

November 3	Frs.	+ or −
Carnaudmetalbox	180	−1
Carrefour	2,306	+90
Casino	150	+3.90
Chargeurs	1,215	+65
Club Mediterranee	378	+3.60
Cogifi	300	....
Coparex Int	586	−14
CCF	205.80	+1.90
Cr Fonc France	875	+16
Cred Lyon (CI)	394	−6
Credit National	1,075	+8
Damart	3,020	+20
Docks de France	400.10	+0.10
Dollfus Mieg Cie	298	+10.50
EBF	790	−3
Eaux Cie Genl	1,901	+25
Ecco	352	+12
Elf Aquitaine	355.50	+5.50
Elf Aquitaine Certs	255	+10
Elf Sanofi	1,090	+61
Eridania B-Say	622	+11
Eridania B-Say CI	485	+6
Essilor Int	378.50	+8.50
Esso	1,620	−20
Eurafrance	2,140	....
Euro RSCG	443	−2
Euro Disney	80	+2
Fin Poliet	380	+4.50
Finextel	108	+3
Fonc Lyonnaise	590	+50
From Cel Anv	3,330	+50
GTM-Entrepose	283	+16
Gal. Lafayette	1,705	+25
Gaumont (Soc N)	378	+1
Geophysique	610	....
Hachette	106.70	+0.40
Havas	431	+24.20
Imetal	300	+16.90
Imm de France	695	−5
Immobanque	610	+28
Immob Phenix	127	+0.30
Interbail	389	+9
Intertechnique	357	−3
LVMH	3,650	+71
Lafarge Coppee	309	+15.10
L'Oreal	995	+17
Legrand	4,060	+251
Legris	142.80xr	+1.80
Lyon Eaux Dumez	474.60	+14.60
Matra	200	+3
Michelin B	191.80	−0.50
Moulinex	87xd	+1
Navigation Mixte	800	+9
Nord Est	119	+4
Orsan	125	+10
Paribas	342	+16
Paris Reescompte	219	+9
Pernod Ricard	426.80	+7.80
Peugeot	511	−4
Pinault	303	−3
Printemps (Au)	710	−26
Promodes	527	−2
Radiotechn	299.50	+10.50
Redoute	5,770	+60
Rhone Poulenc Cis	502	−9
Roussel-Uclaf	417	+7
SILIC	510	+4
Sagem	2,070	....
Saint Gobain	520	+27.10
Saint Louis	1,055	+15
Schneider	554	+24
Seb SA	339.50	+11
Sefimeg	408	−1
Simco	409	−8
Skis Rossignol	722	+43
Soc Generale de Fr	560	+11
Sommer-Allibert	1,068	−2
Spie Batignolles	235	+18.50
Suez (Cie de)	245.10	+2.10
Taittinger	2,000	....
Thomson C S F	121.80	+5.70
Total B	247	+3.90
UAP	404.50	+9.60
UFB Locabail	185	+3.80
Unibail	385.30	+5.30
Union Immob Fr	435	....
Valeo	667	+12
Vallourec	120.60	−3.40
Worms Cie	240.80	−3.20

GERMANY

November 3	Dm.	+ or −
AEG	152.50	+2
AG Ind & Verk	439	+1
Aachen Mch (Reg)	780	....
Allianz AG	1,863	+23
Altana Ind	555	+2
Asko	525	+5
Asko Prf	380	−5
BASF	211	+4.50
Badenwerk	470	+1
Bayer	256.40	+1.90
Bayer-Hypo	404	+1.50
BMW (Br)	478	+4.50
Bayer Vereinsbk	418.70	+2.70
Beiersdorf	638	−10
Berliner Bank	258	−1.50
Berliner Kraft	124	+1
BHF Bank	414	+3
Bilf. & Berger	890	+15
Colonia Konzern	720	−20
Colonia Konzern Pf	450	....
Commerzbank	241.70	+1.90
Continental AG	186.50	+2
DLW	440	+2.50
Daimler-Benz	523.50	+1.50
Deckel (Fr)	29.40	−0.10
Degussa	300xd	+4
Deutsche Babcock	136	+5.20
Deutsche Bank	654.50	+7
Didier-Werke	89.20	−0.80
Douglas Hldg	410	+10
Dragerwerk	225	−1

GERMANY (continued)

November 3	Dm.	+ or −
Dresdner Bk	353.50	+2
Fag Kugelfischer	107	−10
GEHE	418	....
Gerresheimer	211	+1.70
Goldschmidt (TH)	893	−7
Hamburg Elekt	180	....
Heidelb Zem	803	−6
Henkel Prf	591	+7
Herlitz	267	+3
Hochtief	1,029	+24
Hoechst	236	+5
Holzmann Ph	945	+30
Horten	162	....
IKB Deutsche Ind	235	....
Industrie Werke	236	+8
Kali & Salz	103	−0.50
Karstadt	521	+9
Kaufhof	416	−11
KHD	88.50	+3.50
Klockner Werke	61.50	+0.70
Lahmeyer	555	....
Leifheit	331	−4
Linde	667	+6
Linotype-Hell	361	+1
Lufthansa	101	+2
Lufthansa n/v Prf	81	....
MAN	245	+2
MAN Pref	220.50	+2
Mannesmann	204	+1
Mannheim Vers	605	....
Mercedes Hld	395	+4
Metallgesellschaft	303	−2
Munch Rueck (Reg)	2,505	+5
PWA	151.20	+1.20
Philips Kommun	500	−1
Porsche	445	+5
Preussag	308.50	+2.70
Rheinelektra	845	−4
Rheinmetall Berlin	239	+5.50
Rheinmetall Prf	174	+5.50
Rhein West El	393	+3
Rhein West El Prf	318	−0.50
Rosenthal	237	+0.80
Schering	722	+8
Schmalbach Lubeca	271	−1
Siemens	582.70	+1.70
Springer Axel Rg	585.50	−11
Sud Chemie	495	....
Thyssen	152.20	+1.70
Varta	266.50	+1
Veba	341.90	+1
VEW	214.70	....
Verein-West	300	−3
Viag	299	−1.50
Volkswagen	268	+3.90
Volkswagen Prf	230	+4
Wella Prf	670	+7
Zanders Feinpap	215	....

ITALY

November 3	Lire	+ or −
Banca Comm	3,589	−71
Banca Naz Agric	5,200	−65
Banca di Roma	1,861	+81
Banco Lariano	4,249	−146
Bastogi-I R B S	150	+21
Benetton	14,300	−450
Burgo (Cartiere)	4,300	−320
CIR	1,209	−5
Caffaro Spa	495	+1
Cementir	1,630	−50
Cigahotel	1,514	−36
Cofide Fin	1,525	+15
Credito Italiano	2,210	−99
Danieli & C	8,150	....
EniChem	970	+64
Ferruzzi Fin	1,251	−56
Fiat Priv	2,410	−25
Fiat	4,600	+111
Fidis	3,290	+80
Finanz Agroind	7,810	−190
Fondiaria Spa	28,620	+920
Gemina	1,245	+25
Generali Assicur	29,400	+410
Gilardini	2,784	+99
IFI Priv	9,450	+100
Italcable	5,150	+150
Italcementi	9,040	−150
Italgas	3,090	−60
Lloyd Adriatico	10,700	−50
Magneti Marelli	700	+38
Mediobanca	12,000	−240
Montedison	1,242	+7
Olivetti	2,180	+99
Pirelli & Co	4,100	−130
Pirelli Spa	1,220	−50
RAS	16,690	−390
Rinascente (La)	5,258	−172
SASIB	4,250	+100
SIP	1,270	−20
Saffa A	4,799	−1
Saipem	2,020	+20
San Paolo	10,190	−10
Sirti Spa	8,650	−250
SME	674	+3
Snia BPD	999	−51
STET	1,530	+50
Toro Assicur	22,010	−680
Tosi Franco	20,990	−10
Unicem	6,545	−55

NETHERLANDS

November 3	Fls.	+ or −
A B N Amro Holding	50.40	+0.30
AEGON	72.70	+1.40
Ahold	77	+1.80
AKZO	134	+6.20
AMEV Dep Recs	62.30xd	−0.50
Bols Lucas Dep Recs	37.70	....
BuehrmannT Dp Rcs	28.50	+1
CSM Dep Recs	97.50	+1

NETHERLANDS (continued)

November 3	Fls.	+ or −
DAF	10.40	+0.50
DSM	80	+0.20
Dordtsche Petr	134.70xd	+1
Elsevier Dep Recs	112.90	+0.30
Fokker Dep Recs	16.70	+0.10
Gamma	99.80	+1.30
Gist Broc Dep Recs	29.50	....
Heineken	169.70	−0.20
Hoogovens Dep Recs	21	−0.10
Hunter Douglas	33.30	−0.20
IHC Caland	86.50	....
Int Nederland Dep Recs	50.30	+0.20
Intl Mueller	54.50	+0.50
KLM	22.80	−0.30
KNP	31	+1.10
Kon Pakhoed Dp Rcs	33.90	+0.40
Nedlloyd	36.40	+1.40
Nijverd-Ten Cate	79.50	−0.50
Nutr Ver Bed Dp Rcs	114	−0.20
Oce V Grint	36.70	−0.20
Philips	18.90	....
PolyGram	44.90	+0.70
Robeco	93.60	+0.80
Rodamco	43.70	+0.80
Rolinco	92.30	+0.90
Rorento	77.70	+0.10
[illegible]	23.60	+0.10
Royal Dutch	145.80xd	+1.10
Stork NV	24	+0.10
Unilever Dep Recs	191.60	+1
VNU	82.40	+2.40
Van Ommeren Dp Rcs	32	+0.40
Wessanen Dep Recs	94.30	+0.80
Wolters Kl Dep Recs	82	−1

NORWAY

November 3	Kroner	+ or −
Aker A Free	38	....
Bergesen A	91.50	+2.50
Den norsk Bk Free	4.50	....
Dyno Ind	82	+3
Elkem Free	18.50	−1
Hafslund Nyc A Free	147	−3
Kvaerner Free	152.50	+0.50
Leif Hoegh	65	+2
Norsk Data A	1.25	....
Norsk Hydro	137	+5
Norske Skog A Free	61	−1
Orkla Free	146	−3
Saga Pet A Free	67	+1
Saga Pet B Free	66.50	+0.50
Skaugen (I M)	1.40	+0.25
Storli B	74	....
Unitor	56.50	+1
Vard	37	+2

SPAIN

November 3	Pts.	+ or −
Alba (Corp Fin)	3,460	−40
Aragonesas	761	+21
Asland	901	+23
Banco Bilbao Vizc	2,185	+20
Banco Central Hisp	2,895	+20
Banco Exterior	3,585	+25
Banco Popular	9,550	+120
Banco Santander	4,010	+60
Banesto	2,170	+35
CEPSA	2,630	+95
Carburos Metal	3,450	+150
Cubiertas	3,620	+30
Dragados	997	+6
Ebro Agricolas	978	....
Electra Viesgo	1,540	−10
Endesa (Br)	3,220	+70
Fecsa	538	+7
Grupo Duro Felg	900	+50
Hidroel Cantabr	1,760	+15
Iberdrola	605	−1
Koipe	3,770	....
Mapfre	3,300	+10
Metrovacesa	2,550	+50
Portland Vald	6,800	....
Repsol	2,380	+85
SNIACE	47	−1
San Miguel	27,000	....
Sarrio	337	+7
Sevillana Elec	405	−3
Tabacalera A	3,370	−75
Telefonica	989	+14
Tudor	648	+23
Union Fenosa	379	−1
Union y el Fenix	2,110	+10
Uralita	600	+5
Urbis Ser 2	372	−3
Vallehermoso	980	−4
Viscofan	967	....

SWEDEN

November 3	Kronor	+ or −
AGA B Free	257	+4
Asea A	331	+6
Asea B	330	+6
Astra A	589	+13
Astra B	570	+12
Atlas Copco A	236	+4
Atlas Copco B	232	+2
Custos B Free	33.50	....
Electrolux B Free	178	+8
Ericsson B Free	119	+5
Esselte A	78	+1
Esselte B	77	+3
Gambro B Free	271	+6
Hennes&M B Free	128	+1
Hufvuds A	21.50	+0.50
Incentive B Free	145	+4
Investor A Free	77	+3
Investor B Free	75.50	+1.50
Mo Och Dom B Free	113	−1
Nobel Free	9.50	+0.20

SWEDEN (continued)

November 3	Kroner	+ or −
Procordia A	187	+2
Procordia B	185	+3
SCA A	81	+1
SCA B	77.50	+1.50
SKF A Free	66	+3
SKF B Free	62.50	+0.50
Sandvik A	345	+5
Sandvik B	342	+2
Skandia	80.50	+1
Skan Enskilda C	10.50	....
Skanska B Free	69	+4
Stora Kopp A	180	+6
Stora Kopp B	179	+7
Svka Handl B Free	25.50	....
Trelleborg B	63	+1.50
Volvo A Free	255	+3
Volvo B Free	254	+4

SWITZERLAND

November 3	Frs.	+ or −
Adia (Ptg Cts)	18.75	−0.25
Adia Intl (Br)	197	+4
Alusuisse-Lnz Br	348	+3
Alusuisse-Lnz Reg	334	+3
Baloise (Ptg Cts)	1,780	+20
Brown Boveri (Br)	3,540	+50
Brown Boveri Ptg	696	+10
CS Hldgs (Br)	1,990	....
Ciba Geigy (Br)	613	+1
Ciba Geigy (Pt Cts)	595	+2
Ciba Geigy (Reg)	597	....
Elektrowatt (Br)	2,000	....
Elvia (Reg)	1,540	....
Elvia (Ptg Cts)	1,500	....
Fischer Geo (Br)	700	+20
Forbo (Br)	1,795	+55
Holderbank (Br)	498	+3
Holvis Holz (Reg)	315	−5
Jelmoli (Br)	1,270	+15
Jelmoli (Ptg Cts)	264	....
Landis & Gyr (Reg)	356	+6
Leu Hold (Br)	289	+1
Mag Globus Ptg Cts	491	+6
Mikron (Reg)	150	....
Motor-Colum (Br)	470	−20
Nestle (Br)	1,035	+15
Nestle (Reg)	1,050	+15
Oer-Buehrle (Br)	390	....
Pargesa Hld (Br)	1,100	....
Pharma Vision (Br)	2,470	+20
Pirelli (Br)	228	+5
Richemont A (Br)	1,085	−15
Roche (Br)	5,400	....
Roche (Genuss)	3,760	+30
SMH (Reg)	1,285	+20
Sandoz (Br)	2,830	−10
Sandoz (Ptg Cts)	2,800	+10
Sandoz (Reg)	2,850	−10
Schindler (Br)	2,950	−70
Schindler (PtgCts)	520	+10
Sika Reg A	750	....
Surveillance (Br)	1,460	−10
Swissair (Br)	510	−5
Swiss Bank (Br)	284	−0.50
Swiss Bank (Reg)	270.50	+1.50
Swiss Bank PtgCts	270	+0.50
Swiss Reins (Br)	2,590	−30
Swiss Reins (Ptg)	493	−3
Swiss Volksbk	740	−10
Union Bank (Br)	820	−1
Winterthur (Br)	2,800	+20
Winterthur (Ptg)	552	+5
Zurich Ins (Br)	2,000	+10
Zurich Ins (Ptg)	947	+7

SOUTH AFRICA

November 3	Rand	+ or −
ABSA	8.60	+0.10
AECI	5.90	....
Allied Tech	117	....
Anglo Am Coal	85	....
Anglo Am Corp	84.25	+0.25
Anglo Am Gold	157.75xd	−1.25
Anglovaal N	69.50	....
Barlow Rand	43.75	−0.25
Buffels	20	....
CNA Gallo	21.75	....
De Beers/Centenary	50.40xd	+0.90
Deelkraal Gold	4.20	....
Driefontein	32.50	+0.15
East Rand Gold	3.60	....
Elandsrand Gold	10.30	+0.20
Engen	44	+0.25
First Nat Bank	58	....
Free State Cons Gold	24.25	+0.75
Gencor	9.60	+0.15
Gold Fields SA	56	+0.50
Hartebeest	9.35	....
Highveld Steel	8.75	....
ISCOR	0.69xd	....
Kinross Gold	26xd	−1
Kloof Gold	24.25	+0.25
Liberty Life SA	49.50	+0.50
Malbold	28.50	−0.25
Nedcor	14	−0.50
O K Bazaars	6.15	+0.30
Palabora Mng	67	....
Premier Gp	42	....
Rembrandt Grp	25.10xd	....
Rembrandt Contrl	18.10xd	....
Rust Plat	64.75	+0.25
Safmarine & Rennie	82.75	+0.25
Smith (CG) Ltd	123	....
SA Brewers	53.75	....
SA Man Amcor	24.25	....
Tiger Oats	43	....
Tongaat Hulett	15	+0.25
Vaal Reefs	131.50	+1.50
Western Deep	52.50	+0.25

JAPAN

November 2	Yen	+ or −
Ajinomoto	1,300	....
Akebono Brake Ind	454	....
All Nippon Airways	940	....
Alps Electric	821	....
Amada Co	959	....
Amano Corp	1,100	....
Ando Construction	631	....
Anritsu	730	....
Aoki Corp	504	....
Aoyama Trading	7,550	....
Arabian Oil Co Ltd	4,030	....
Asahi Bank	796	....
Asahi Breweries	1,010	....
Asahi Chemical	590	....
Asahi Glass	976	....
Asahi Optical	320	....
Asics Corp	486	....
Atsugi Nylon	540	....
Banyu Pharm	840	....
Bridgestone	1,100	....
Brother Ind	445	....
CSK	1,950	....
Calpis Food	1,180	....
Calsonic	385	....
Canon	1,280	....
Canon Sales	2,020	....
Casio Computer	979	....
Central Finance	262	....
Central Glass	368	....
Chiba Bank	845	....
Chiyoda Corp	1,760	....
Chiyoda Fire & M	605	....
Chubu El Pwr	2,440	....
Chugai Pharm	1,280	....
Chugoku El Power	2,140	....
Citizen Watch	809	....
Daicel Chemical	490	....
Daido Steel	380	....
Daiei Inc	800	....
Daifuku	1,590	....
Dai Ichi Kangyo Bk	1,500	....
Daiichi Pharm	1,660	....
Daikin Inds	685	....
Daikyo Inc	678	....
Daimaru Inc	465	....
Dai Nippon Ink	394	....
Dai Nippon Pharmac	1,130	....
Dai Nippon Print	1,340	....
Dai Nippon Toryo	420	....
Daishowa Paper	1,710	....
Dai Tokyo F&M	720	....
Daiwa Bank	876	....
Daiwa House	1,590	....
Daiwa Sec	831	....
Denny's Japan	2,210	....
Dowa Fire & Mar	550	....
Dowa Mining Co	544	....
Ebara Corp	1,280	....
Eisai	1,380	....
Ezaki Glico	1,210	....
Fanuc	3,090	....
Fudo Construction	490	....
Fuji Bank	1,820	....
Fuji Electric	470	....
Fuji Film	2,540	....
Fuji Fire & Marine	685	....
Fuji Heavy Ind	346	....
Fuji Spinning	529	....
Fujikura	529	....
Fujisawa Pharm	847	....
Fujita Kanko	1,530	....
Fujitsu	557	....
Furukawa Elect	401	....
Gakken	640	....
Gen Sekiyu	888	....
Godo Shusei	560	....
Green Cross	1,400	....
Gun-Ei Chemical	402	....
Gunze	645	....
Hankyu Corp	540	....
Hanshin El Rlwy	419	....
Haseko	566	....
Hattori Seiko	1,040	....
Hazama Corp	521	....
Heiwa Real Est	695	....
Hino Motors	550	....
Hirose Electric	3,370	....
Hiroshima (Bank)	603	....
Hitachi	720	....
Hitachi Cable	563	....
Hitachi Credit	1,120	....
Hitachi Koki	725	....
Hitachi Maxell	1,400	....
Hitachi Metals	735	....
Hitachi Sales	400	....
Hitachi Zosen	513	....
Hokkaido Elect Pwr	2,290	....
Hokkaido Takush	487	....
Hokuriku El Pwr	2,240	....
Honda Motor	1,290	....
Honshu Paper	427	....
House Food Ind	2,120	....
Hoya Corp	1,570	....
IHI	454	....
Ihara Chemical	474	....
Ikegami Tsushinki	675	....
Inax	865	....
Indust Bank Japan	2,460	....
Iseki & Co	298	....
Isetan	2,280	....
Ishihara Sangyo	362	....
Isuzu Motors	269	....
Itochu	437	....
Itoham Foods	794	....
Itoman & Co	85	....
Ito Yokado	3,650	....
Iwatsu Elec	300	....
Izumiya	1,360	....
JEOL	550	....
JGC Corp	2,000	....
Janome Sewing Mach	295	....
JAL	564	....
Japan Metals & Chem	656	....
Japan Radio	1,080	....
Japan Steel Works	434	....
Japan Storage Batt	763	....
Japan Syn Rubber	473	....
Japan Wool	1,030	....
Jujo Paper	483	....
Jusco	1,310	....
Kagome	1,050	....
Kajima	805	....
Kaken Pharm	1,380	....
Kandenko	1,900	....
Kanebo	405	....
Kaneka	540	....
Kanematsu Corp	390	....
Kansai El Power	2,290	....
Kansai Paint	405	....
Kao Corp	1,020	....
Kawasaki Heavy Ind	397	....
Kawasaki Kisen	378	....
Kawasaki Steel	289	....
Keihin Elec Express	613	....
Keio Teito El Rw	579	....
Kikkoman	989	....
Kinden	1,880	....
Kinki Nipp Railway	683	....
Kirin Brewer	1,110	....
Kobe Steel	309	....
Koito Manf	700	....
Kokusai Electric	1,280	....
Kokuyo	2,000	....
Komatsu	645	....
Konica	659	....
Koyo Seiko Co	585	....
Kubota Corp	556	....
Kumagai-Gumi	476	....
Kumiai Chemical	450	....
Kurabo Ind	380	....
Kuraray	990	....
Kureha Chemical	440	....
Kurita Water	1,640	....
Kyocera	3,540	....
Kyodo Shiryo	392	....
[illegible]	982	....
Kyowa Hakko	935	....
Kyushu El Power	2,280	....
Lion Corp	611	....
Long Term Credit	860	....
Maeda Corp	971	....
Makino Milling	517	....
Makita Corp	1,560	....
Marubeni	377	....
Marudai Food	791	....
Marui	1,020	....
Maruichi Steel	1,480	....
M'shita El Ind	1,130	....
M'shita El Wk	977	....
M'shita Koto	1,460	....
M'shita Refrig	548	....
Mazda Motor Corp	408	....
Meiji Milk	922	....
Meiji Seika	695	....
Mercian Corp	738	....
Mikuni Coca Cola	2,200	....
Minebea	449	....
Minolta Camera	323	....
Misawa Homes	1,080	....
M'bishi Bk	2,150	....
M'bishi Corp	857	....
M'bishi Elec	435	....
M'bishi Estate	825	....
M'bishi Gas Chem	420	....
M'bishi Heavy Ind	528	....
M'bishi Kasei	412	....
M'bishi Materials	441	....
M'bishi Oil	865	....
M'bishi Paper	535	....
M'bishi Petchem	695	....
M'bishi Plastics	494	....
M'bishi Rayon	327	....
M'bishi Steel	645	....
M'bishi Tr&Bk	980	....
M'bishi Warehouse	1,150	....
Mitsuboshi Belting	450	....
Mitsui Co	570	....
Mitsui Eng Ship	396	....
Mitsui Fudosan	915	....
Mitsui Marine	795	....
Mitsui Mng & Sm	446	....
Mitsui Osk Line	372	....
Mitsui Petchem	576	....
Mitsui Soko	619	....
Mitsui Toatsu	355	....
Mitsui Tr&Bk	840	....
Mitsukoshi	705	....
Mitsumi Elec	941	....
Miyaji Iron Works	518	....
Mizuno Sporting	870	....
Mochida Pharm	3,090	....
Morinaga Milk	655	....
Mori Seiki	1,650	....
Murata Manufact	2,000	....
NEC Corp	678	....
NGK Insulators	944	....
NGK Spark Plug	715	....
NHK Spring	500	....
NKK Corp	260	....
NOK Corp	505	....
NSK	492	....
NTN Toyo Bearing	471	....
Nachi Fujikoshi	386	....
Nagasakiya	1,070	....
Nagase	669	....
Nagoya Railroad	501	....
National House	1,800	....
Nichii	1,150	....
Nichirei	650	....
Nihon Cement	755	....
Nihon Nosan	376	....
Nihon Parkerizing	725	....
Niigata Eng	515	....
Nikko Sec	628	....
Nikon Corp	599	....
Nintendo	9,600	....
Nippon Credit Bank	5,040	....
Nippon Denko	407	....
Nippon Denso	1,360	....
Nippon El Glass	1,140	....
Nippon Express	710	....
Nippon Fire	619	....
Nippon Flour Mills	631	....
Nippon Hodo	2,090	....
Nippon Kayaku	665	....
Nippon Light Metal	565	....
Nippon Meat Pack	1,620	....
Nippon Mining	495	....
Nippon Oil	624	....
Nippon Paint	499	....
Nippon Road	1,320	....
Nippon Sanso	467	....
Nippon Sharyo	986	....
Nippon Sheet Glass	448	....
Nippon Shinpan	598	....
Nippon Shinyaku	1,270	....
Nippon Soda	536	....
Nippon Steel	285	....
Nippon Suisan	456	....
Nippon TV Network	14,000	....
NTT	532,000	....
Nippon Yakin	428	....
Nippon Yusen	489	....
Nippon Zeon	650	....
Nishimatsu Constr	1,070	....
Nissan Diesel	362	....
Nissan Motor	561	....
Nissei Sangyo	1,010	....
Nisshin Flour	1,050	....
Nisshin Oil	1,000	....
Nisshinbo Ind	899	....
Nissho Iwai	395	....
Nissin Electric	800	....
Nissin Food	2,220	....
Nitsuko	505	....
Nitto Boseki	400	....
Nitto Denko	990	....
Nomura Sec	1,390	....
Noritake	830	....
Odakyu Electric Rwy	699	....
Obayashi-Gumi	538	....
Oji Paper	809	....
Oki Electric	333	....
Okuma Corp	800	....
Okumura-Gumi	869	....
Olympus	1,050	....
Omron Corp	990	....
Onoda Cement	530	....
Ono Pharm	5,180	....
Onward Kashiyama	1,040	....
Orient Corp	650	....
Orix Corp	2,020	....
Osaka Gas	431	....
Penta Ocean	690	....
Pioneer Elec	2,720	....
Prima Meat Pack	450	....
Renown	425	....
Ricoh	568	....
Royal	1,060	....
Ryobi	419	....
Sakura Bank	1,130	....
Sanden	505	....
Sankyo	2,280	....
Sanrio	1,050	....
Sanwa Bank	1,400	....
Sanwa Shutter	925	....
Sanyo Electric	355	....
Sanyo Kokusaku	472	....
Sapporo Brews	870	....
Secom	5,540	....
Sega Ent	9,150	....
Seibu Railway	2,200	....
Seino Transport	1,430	....
Seiyo Food Sys	900	....
Seiyu	1,160	....
Sekisui Chemical	814	....
Sekisui House	1,130	....
Settsu Corp	374	....
Seven-Eleven	6,750	....
Sharp	946	....
Shikoku Elect Pwr	2,270	....
Shimizu Corp	851	....
Shin-Etsu Chem	1,430	....
Shionogi	795	....
Shiseido	1,340	....
Shochiku	1,030	....
Shokusan Jutaku	548	....
Showa Aluminium	407	....
Showa Denko	283	....
Showa Elec Wire	532	....
Showa Sangyo	520	....
Showa Shell Sek	1,340	....
Skylark	1,250	....
Snow Brand Milk	795	....
Sony	4,040	....
Stanley Electric	551	....
Sumitomo Bakelite	413	....
Sumitomo Bank	1,720	....
Sumitomo Cement	537	....
Sumitomo Chemical	475	....
Sumitomo Corp	780	....
Sumitomo Elect	840	....
Sumitomo Heavy	432	....
Sumitomo Light M	332	....
Sumitomo Marine	828	....
Sumitomo Metal Ind	268	....
Sumitomo Metal Mng	685	....
Sumitomo Realty	610	....
Sumitomo Tr&Bk	960	....
Sumitomo Warehouse	565	....
Suzuki Motor	781	....
TDK Corp	3,230	....
Taisei Corp	640	....
Taisho Pharm	1,930	....
Taiyo Fishery	425	....
Takaoka Electric	494	....
Takara Shuzo	654	....
Takashimaya	845	....
Takeda Chem	1,240	....
Tanabe Seiyaku	865	....
Teijin	406	....
Teikoku Oil	655	....
Tekken Corp	668	....
Toa Gosei Chem Ind	618	....
Tobishima Corp	410	....
Tobu Railway	573	....
Toei	566	....
Toho	13,200	....
Tohoku Elect Power	2,360	....
Tokai Bank	1,110	....
Tokai Carbon	384	....
Tokico	350	....
Tokio Marine	1,110	....
Tokuyama Soda	410	....
Tokyo (Bank)	1,320	....
Tokyo B'casting	905	....
Tokyo Dome	1,700	....
Tokyo El Pwr	2,500	....
Tokyo Electron	1,500	....
Tokyo Gas	420	....
Tokyo Rope	634	....
Tokyo Steel	2,710	....
Tokyo Style	1,250	....
Tokyu Car	454	....
Tokyu Corp	560	....
Tokyu Land	382	....
Tonen Corp	1,230	....
Toppan Printing	1,080	....
Toray Ind	615	....
Toshiba Elect	592	....
Toshiba Eng&Constr	817	....
Toshiba Machinery	520	....
Toshoku	749	....
Tosoh Corp	380	....
Toto	1,550	....
Toyo Construct	500	....
Toyoda Autom Loom	1,420	....
Toyo Ink	440	....
Toyo Kanetsu	680	....
Toyo Seikan	3,040	....
Toyota Motor	1,410	....
Toyo Tire&Rub	407	....
Toyo Tst & Bkg	790	....
[illegible]	473	....
Tsugami	368	....
UBE Inds	360	....
Unitika	354	....
Victor (JVC)	756	....
Wacoal	833	....
Yamaha Corp	915	....
Yamaha Motor	657	....
Yamaichi Securities	570	....
Yamanouchi	2,450	....
Yamatake Honeywell	978	....
Yamato Kogyo	1,310	....
Yamato Transport	1,010	....
Yamazaki Baking	1,900	....
Yasuda Fire	723	....
Yasuda Tst & Bkg	840	....
Yasukawa Elec	425	....
Yokogawa Elec	748	....
Yokohama (Bank)	957	....
Yokohama Rubber	550	....
Yomiuri Land	795	....
Yoshitomi Pharm	805	....
Yuasa Corp	634	....
Zexel Corp	465	....

AUSTRALIA

November 3	Aust$	+ or −
AWA	0.92	−0.02
Aberfoyle	3.80	+0.05
Amcor	7.40xd	+0.01
Ampolex	3.80xd	....
Arnotts	9.20	....
Ashton	1.37xd	+0.02
ANZ Bank	2.79	+0.04
Aust Gas Light	2.60	+0.04
Aust Nat Inds	1.47	−0.04
BHP	10.74	−0.08
BTR Nylex	2.34	....
Boral	2.53	+0.05
Boug'ville Copper	0.56	−0.01
Brambles Inds	14.80	−0.20
Bridge Oil	0.45	....
Brierley Invs	0.62	....
Burns Philp	3.30	+0.05
CSR	3.65	−0.01
CRA	12	....
Caltex Aust	1.90	−0.05
Chiltern Cap	0.90	....
Coal Allied Ind	8.10	−0.20
Coca Cola Amatil	7.30	+0.10
Coles Myer	10	....
Comalco	3.05	−0.10
Comm Bk Aust	5.84	+0.02
Crusader	0.96	....
Dominion Mng	0.33	−0.01
Email	3.30	+0.15
Energy Res	1.14	+0.01
FAI Insurances	0.48	−0.02
Fletcher Chllnge	1.25	+0.01
Fosters Brewing	1.23	+0.01
Gen Prop Tst	2.15xd	+0.05
GIO Australia	1.99	+0.01
Goodman Fielder	1.48	−0.02
Hardie (J)	2.25	−0.07
Highlands Gold	0.88	....
ICI Aust	4.55	+0.05
Jennings	0.10	....
Kidston Gold	1.20	−0.10
Lend Lease	12.56	+0.02
MIM	2.60	....
Mayne Nickless	6.33	+0.12
Metal Manuf	1.85xd	+0.05
Minproc	0.14	....

AUSTRALIA (continued)

November 3	Aust$	+ or −
Nat Aust Bank	6.83	+0.01
Newcrest Mining	0.52	....
News Corp	26.40xd	+0.20
Nmody Poseidon	1.17xd	....
North BH Peko	2.03	....
Pacific Dunlop	4.30	+0.05
Pancontinental	0.88	−0.02
Pasminco	1.18	−0.01
Pioneer Intl	2.53	+0.03
Placer Pacific	1.81	−0.04
QCT Resources	0.99	+0.04
Renison Gold	3.55xd	+0.05
Rothmans Aust	6.02	+0.12
SA Brewing	2.81	−0.02
Santos	2.37	−0.05
Smith (Howd)	4.50	+0.05
Sons of Gwalia	4.38	....
Stockland Tst	2.88	....
TNT	0.81	+0.01
Telecom Corp NZ	1.71	....
Tyco Invs	0.66	....
Wesfarmers	5.22	−0.08
Western Mining	4.12	....
Westfield Hdg	4.49	....
Westfield Trust	2.29	....
Westpac	2.72	+0.02
Woodside Pet	3.58	+0.03

HONG KONG

November 3	H.K.$	+ or −
Amoy Props	7.50	+0.10
Bank East Asia	35.75	−0.25
Cathay Pacific	11.20xd	....
Cheung Kong	22.70xd	−0.20
China Light	35.75	−1.75
China Motor	37	−0.25
Cross Harbour	18xd	....
Dairy Farm Intl	12.70	+0.40
Evergo	3.20	−0.02
Great Eagle	3.77	−0.02
Guoco	3.70	−0.05
HSBC	63	−0.50
Hang Lung Dev	12	−0.10
Hang Seng Bank	54.50	−0.50
Harbour Centre	7.55xd	....
Henderson Inv	4.03	+0.03
Henderson Land	18.10	....
HK & China Gas	16	....
HK & Shanghai Hotel	6.15	+0.15
HK Aircraft	22.90xd	+0.30
HK Electric	17.60xd	−0.10
HK Land	14.50	+0.20
HK Realty & Tr A	11.60	+0.40
HK Telecom	9.10	−0.05
Hopewell Hldgs	5	−0.05
Hutchison Wpa	16.10xd	−0.10
Hysan Dev	15.10	−0.10
Jardine Intl Mtr	8.90	+0.15
Jardine Math	57.50	−1
Jardine Strategic	25.80	−0.10
Kowloon Motor	9.40	....
Mandarin Orient	7.45	−0.05
New World Dev	18.40	−0.20
Realty Dev A	19.10	+0.10
SHK Props	34.25	+0.25
Shaw Bros	6.05	....
Shell Elec Mfg	2.10	−0.07
Sime Darby	9.05	−0.15
Sun Hung Kai Co	3.85	+0.10
Swire Pacific A	37.50xd	....
Swire Pacific B	5.95xd	−0.15
Tele Broadcast	9.95	+0.05
Wharf Holdings	17.70	+0.10
Wing On Co	9.95	−0.05
Winsor Ind	12.30xd	−0.10
World Intl	8.60	+0.05

MALAYSIA

November 3	MYR	+ or −
Boustead	2.45	−0.03
Hong Leong Credit	5.05	+0.15
Malayan Banking	10.40	+0.10
Malayan Utd Ind	2.73	+0.04
Multi Purpose	1.57	+0.10
Public Bank	1.60	+0.08
Sime Darby	5.10	+0.18

SINGAPORE

November 3	S$	+ or −
Cold Storage	2.48	−0.09
DBS	11.20	+0.10
Fraser & Neave	9.80	−0.50
Genting	9.40xd	−0.10
Haw Par	2.25	....
Inchcape	6.50	+0.10
Keppel Corp	5.95	−0.15
OCBC	11	+0.10
OUB	4.44xr	....
S'pore Air Free	16.10	+0.30
Singapore Press	8.60	+0.05
Straits Trading	2.98	−0.04
Tat Lee Bank	3.14	−0.06
UOB	6.55	....

Price data supplied by Telekurs.

NOTES — Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. (u) unavailable. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

3 pm November 3

Quotations in cents unless marked $

Sales	Stock	High	Low	Close	Chng
7400	Abitibi Pr	$14⅛	14	14⅛	−⅛
2400	AgnicoEa	$5⅝	5⅛	5⅛	−⅛
124200	Air Cda	292	288	290	
11100	Albrta En	u$16⅛	16⅛	16⅛	−⅛
1000	AlbNtGas	$13¾	13¼	13¾	+⅛
198300	Alcan Al	$22	21¾	21¾	−¼
296600	Am Barr	$37⅝	36⅞	37½	+⅜
4100	Atco Cl 1 x	$11½	11½	11½	
187600	Bk Montl	$47⅝	46⅝	46¾	+1⅛
627900	Bk Nova Sc x	u$24¼	23⅞	24⅛	−⅜
8700	BC Sugar A x	$8⅞	8¾	8¾	−⅛
203300	BCE Inc	$45⅛	44¾	44⅞	−⅜
26000	Belmoral	8	d7½	7½	
6100	BGR A	$6⅞	6¾	6⅞	+⅛
131600	Bomb'dierB	$12¾	12½	12⅝	+¼
38800	Bow Valley	$10½	10⅜	10½	
15900	BP Canada	$15⅛	14¾	15⅛	+⅛
84600	Bramalea	47	46	46	
87300	Brascan A	$18⅝	18½	18½	
10500	Breakwater	27	27	27	−8
10400	BC Tel	$21⅝	21⅛	21¼	−¼
4000	Bruncor x	$20⅞	20⅝	20⅝	
400	Brunswick	$9¾	9¾	9¾	
23000	CAE Ind x	$6	6	6	
77600	Cambior	$11⅝	11½	11⅝	+⅛
10200	Cambridge	$13¼	12⅞	13	−⅛
29000	Cameco x	$16⅝	16⅝	16⅝	−⅛
500	C'bell Res	43	43	43	
261200	CanImpBk x	$29⅞	28½	28⅞	−⅛
15000	Can Occid	$28¼	28	28	
132500	Can Pac x	$15⅝	15⅛	15⅜	−¼
500	Can Tire	$18¼	18¼	17¼	
36400	CanTire A	$17⅝	17¼	17⅝	+½
22900	Can Util A	$22¼	22½	22⅝	−⅛
2300	Can Util B	u$23	22½	22½	−½
7000	Canamax	20	d18	19	
56700	Canfor	$25½	25½	25½	
3300	CnPcForest	$22	21⅞	21⅞	+⅛
1900	Cara Op	490	465	465	−15
12400	Cascades	$7	7	7	
300	Celanese x	$40½	40½	40½	
4600	Cntrl Cap	4	4	4	
5600	Cineplex Odn	240	235	240	+15
1500	Cntrl Fd A	490	490	490	
20700	Cominco	$20⅞	20⅝	20⅝	−⅛
7000	Computalog	59	50	50	−5
8500	Corel Sys	$19	18¼	18¼	−¼
2500	CoscanDev	460	460	460	
64100	CrownX A	199	185	190	−8
1200	Denison A	24	24	24	
3600	Derlan	$5¼	d5	5¼	+⅛
280800	Dofasco	$9½	9¼	9⅜	+⅛
45100	Domino Txt	$7½	7¼	7¼	
6200	Domtar Inc	$5⅛	4.95	5	−⅛
600	Du Pont A	$41	40½	40½	−½
27700	DundeeBncA	335	320	320	−10
20600	Echo Bay M	$8⅝	8⅜	8½	+⅛
139100	Emco Ltd	$5½	5	5½	+½
108800	Empire	$11⅛	11	11	
68300	Euro Nev	$17¼	17⅛	17½	
100	FPI Ltd	300	300	300	
21800	FahnstkVnr	$7½	7⅜	7½	−⅛
3600	Finning x	$11⅞	11⅞	11⅞	
2100	Fst Mars A x	$10⅛	10⅛	10	
2900	Fortis	$24¼	24	24	−⅛
3800	Four Seasn	$18½	18½	18½	
700	FrancoNev	$29	28¾	28¾	−¼
13000	Galactic	8½	7	8½	
500	Gendis A x	$17½	17½	17⅞	
65700	Glamis Gld	435	430	435	+5
98500	Granges	175	165	175	+10
27300	GtW Lifeco x	$14¼	14¼	14¼	
40900	Gulf Cda R	$5½	5⅜	5½	
2700	GW Utils	$6¼	6⅛	6¼	+⅛
700	HarrisSt A	$6	6	6	
200	Hawker Sid	$20½	20½	20½	−⅛
6300	Hees Intl	$11¼	11	11	−¼
114200	Hemlo Gold	$9	8⅞	8⅞	−¼
1800	Hollinger	$11½	11⅜	11⅜	−⅛
18100	Home Oil	$15⅛	15⅛	15⅛	−⅛
484400	Horsham	$10	9⅞	9⅞	
600	HudsBayM&S	$5½	5½	5½	
2500	HudsonsBay	$28⅛	28⅛	28½	+⅛
34800	Imasco	u$40	39¾	39⅞	−⅛
21700	Imp Oil	$44½	44	44	−½
365000	Inco	$27⅛	26⅞	27	−⅜
300	IntlMurexT	$6½	6	6	
31200	IntprvPipe	$25⅛	24⅞	24⅞	
3600	Invest Grp x	$23⅞	23⅞	23⅞	−⅛
1800	Ivaco A	300	d285	320	
7700	Jannock	$13¼	12⅞	13	
47700	KerrAddis	$17⅝	17½	17½	
519700	Labatt x	$29¼	29	29	+¼
249300	Lac Mnrls	$8¼	7⅞	8¼	+⅛
1100	Lafarge	$18	18	18	
16300	Laidlaw A	$11⅛	11	11	−⅛
331300	Laidlaw B	$11⅛	10⅞	11	−⅛
500	Laurent Bk	$18½	18½	18½	
8800	Laurent Gp	$5¼	5¼	5¼	
7700	Lawson Mar	$9⅜	9⅜	9⅜	
45400	Loblaw	$17¾	17½	17½	−¼
82800	Mackenzie	$5⅝	5⅛	5¼	−⅛
100400	Macm Bl	$17⅜	17⅛	17⅜	+¼
227800	Magna IntA x	$26¼	25¾	25⅞	+½
23800	Mpl Lf Fds	$14⅝	14½	14½	+⅛
900	Marit T&T x	$22	22	22	
1600	Mark Res	$5½	5	5⅛	
3900	MDS Hlth B	$14⅞	14½	14⅝	−⅛
2000	Metall Mln	$12⅞	12⅞	12⅞	−⅛
1800	Minnova	$16⅛	16⅛	16	
19200	Mitel Corp	195	191	191	
195000	Molson A	$30¼	30	30	
240800	Moore Corp	$19¼	18⅝	18¾	−⅝
2900	Muscocho	3	3	3	
34900	Nat Bk Can x	$8½	8¼	8¼	−¼
216200	Noma Ind A	$5⅜	5¼	5¼	−⅛
67800	NorandaFor	$7⅝	7½	7½	
45400	Noranda	$19⅝	19⅛	19⅜	+¼
100	NorcnE.12	$25¼	25¼	25¼	
10400	NorcnMVtg	$20⅛	20½	20½	−¼
339900	Nth Tele	$49	47¾	48	−1
500	Northgate	78	76	78	
331300	Nova Corp	u$9⅛	8⅞	8⅞	−⅛
17000	Nowsco WS	$8½	8½	8½	
8600	Numac Oil	$5⅜	5⅜	5⅜	
11900	Onex Corp	$8¼	8	8	−¼
7000	Oshawa A	$24⅛	24	24	−⅛
470100	PWA Corp	210	165	170	−35
19900	Pagurian A	375	360	365	−10
83500	Pancan Pet	$29½	29⅛	29⅛	−⅛
322500	Pegasus	$19⅜	18⅞	19⅛	−⅛
5500	Pioneer Mt	8	d8	8	
1080500	PlacerDome	$14⅞	14⅝	14⅞	−⅛
401300	Poco Pet	485	475	475	+10
28000	Power Corp	$15½	15¼	15¼	−⅛
3800	Power Fin x	$21½	21¼	21½	+¼
900	Quebecor A	$16⅜	16¼	16¼	−¼
1088000	Ranger Oil	$8¼	8⅛	8⅛	−⅛
2000	Rayrock	$9½	9½	9½	−⅛
100	Reed Stan	$30¼	30¼	30¼	
800	Reitman S	$17	17	17	
23800	Ren'ssance	$16¾	16½	16⅝	−⅛
30400	Repap Ent	345	340	340	−10
31400	Rio Algom x	$16	15¾	16	−⅜
88400	RogersCom B	$13½	13⅜	13½	+⅛
300	Rothmans	$96	96	96	+1
285500	RoyalBkCan	$24⅛	23¾	23¾	−1
102800	Ryl Oak Mn	190	181	185	
598200	RylTrustco	400	d360	375	−50
3900	StLawrCm A	$8¼	7⅞	7⅞	−⅛
897700	Sceptre Rs	49	46	47	
1400	ScottPaper	$12¼	d12	12	−¼
2000	Scotts Hos	$11⅜	11¼	11¼	−⅛
126500	Seagram Co	$34⅛	33⅝	33⅞	−⅛
18000	Sears Can	$6	d5¾	5⅞	
9900	ShellCan A	$33⅞	33⅝	33¾	
73700	Sherritt G	$7⅛	7	7⅛	
7800	SHL Syst	$8⅝	8⅝	8⅝	
300	SNC Group	$9½	9½	9	
5700	Sonora Gld	12	11	11	
7100	Southam	$15⅝	15½	15⅝	+⅛
48400	Spar Aero x	$15⅜	15¼	15⅜	
98400	Stelco A	148	137	137	−7
56900	Teck B	$19⅞	19½	19⅝	−⅛
8600	Teleglobe	$12¾	12⅝	12⅝	−⅛
265500	Thomson x	$13⅝	13¼	13⅜	+¼
318200	Tor Dom Bk x	$18⅝	17⅞	18⅛	−½
16400	Torstar B	$23⅛	23	23	−⅛
18500	TotalPNAm	$5½	d5½	5½	
64300	TransAlta	$14¼	14	14⅛	
1080600	Transcan P x	$18⅛	18	18⅛	
90500	Trimac	$7¾	7⅝	7⅝	−¼
175300	Trizec A	305	300	300	−5
100	UAP A	$16¾	16¾	16¾	
53600	UnionEnt	$16¼	16½	16⅝	−⅛
1000	UnitedCorp	$26½	26¼	26½	−¼
11700	UtdDomInd	$11	10¾	11	+⅛
16400	Univa	$7⅝	7⅛	7¼	−⅛
25100	Viceroy Rs	u$6	5⅞	5⅞	+⅛
212200	W'coast E	$17	16⅞	16⅞	−⅛
1300	Weston Geo	$35	34¾	34¾	−⅜
700	WIC B	$14⅞	14⅞	14⅞	+⅛

f - No voting rights or restricted voting rights

MONTREAL

3 pm November 3

Sales	Stock	High	Low	Close	Chng
73700	BombrdierB	$12⅝	12½	12⅝	+⅛
16100	Cambior	u$11⅝	11½	11½	
78700	CanImp Bk x	$29¾	28⅞	28⅞	−⅛
100	CanMarconi	$14⅜	14⅜	14⅜	
17800	Cascades	$6⅞	6⅞	6⅞	
41800	DominTxt A	$7½	7¼	7¼	−⅛
23800	MacleanHnt	$12⅛	12⅛	12⅛	−⅛
78300	NatBk Can x	$8⅝	8¼	8¼	−⅛
1300	Quebecor A	$16⅜	16⅜	16⅜	
900	Teleglobe	$12¼	12⅛	12⅛	
12300	Univa	$7⅛	7⅛	7⅛	−⅛
4000	Videotron	$16⅞	16⅝	16⅝	

Total Sales 16,806,000 shares

INDICES

NEW YORK

DOW JONES	Nov 2	Oct 30	Oct 29	Oct 28	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Industrials	3262.21	3226.28	3246.27	3251.40	3413.21 (1/6)	3136.58 (9/10)	3413.21 (1/6/92)	41.22 (2/7/32)
Home Bonds	102.23	102.41	102.27	102.30	103.20 (18/9)	98.41 (20/3)	103.20 (18/9/92)	54.99 (1/10/81)
Transport	1366.01	1352.31	1361.58	1356.14	1467.68 (20/2)	1204.40 (26/8)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	220.33	220.14	219.70	218.14	225.59 (3/11)	200.74 (8/4)	236.23 (2/1/90)	10.50 (8/4/32)

DJ Indl. Day's High 3274.64 (3260.59) Low 3211.42 (3208.45) (Theoretical)♦
Day's High 3262.21 (3250.59) Low 3221.68 (3224.12) (Actual)♦

STANDARD AND POOR'S	Nov 2	Oct 30	Oct 29	Oct 28	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	422.75	418.68	420.86	420.13	425.27 (14/9)	394.50 (8/4)	425.27 (14/9/92)	4.40 (1/6/32)
Industrials	495.82	490.76	493.35	492.66	503.30 (14/9)	470.91 (8/4)	503.30 (14/9/92)	3.62 (21/6/32)
Financial	37.13	36.84	37.09	37.06	37.13 (2/11)	32.40 (8/4)	37.13 (2/11/92)	8.64 (1/10/74)
NYSE Composite	232.48	230.57	231.42	230.91	233.73 (14/9)	217.92 (8/4)	233.73 (14/9/92)	4.46 (25/4/42)
Amex Mkt. Value	382.70	381.72	381.29	379.00	418.99 (12/2)	364.85 (9/10)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	607.57	605.17	605.82	601.39	644.92 (12/2)	547.84 (26/6)	644.92 (12/2/92)	54.87 (31/10/72)

	Oct 30	Oct 23	Oct 16	year ago (approx.)
Dow Industrial Div. Yield	3.21	3.24	3.27	3.03

	Oct 28	Oct 21	Oct 14	year ago (approx.)
S & P Industrial div. yield	2.68	2.72	2.76	2.73
S & P Ind. P/E ratio	27.52	27.22	26.77	21.17

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
Gen Motors	3,158,600	31⅞	+ 1⅛
Gen Motors E	2,877,100	28	- 1
Merck	2,473,400	44⅛	+ ⅛
IBM	2,320,400	69	+ 2⅛
Telefonos	2,114,700	51⅛	+ ⅛
Philip Morris	1,968,100	77	+ 1
Time Warner	1,827,500	23⅛	+ ⅛
K Mart	1,632,000	27	+ ⅝
Abbott Lab	1,580,100	29⅛	+ ⅜
Adv Micro	1,525,800	15⅞	- ⅛

TRADING ACTIVITY

† Volume (Millions)	Nov 2	Oct 30	Oct 29
New York SE	201.620	196.740	206.300
Amex	13.437	13.242	15.663
NASDAQ	179.355	193.083	214.474
NYSE			
Issues Traded	2,365	2,345	2,343
Rises	1,092	859	963
Falls	738	880	774
Unchanged	525	606	606
New Highs	83	61	74
New Lows	39	39	29

CANADA

TORONTO	Nov 2	Oct 30	Oct 29	Oct 28	1992 HIGH	1992 LOW
Metals & Minerals	2794.69	2772.11	2753.63	2745.96	3238.87 (16/1)	2603.82 (15/10)
Composite	3379.04	3336.10	3336.00	3334.71	3666.00 (16/1)	3195.40 (14/10)
MONTREAL Portfolio	1794.78	1763.66	1764.61	1764.70	1937.59 (16/1)	1663.16 (14/10)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable. ♦ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's).

	Nov 3	Nov 2	Oct 30	Oct 29	1992 HIGH	1992 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1412.8	1410.2	1425.8	1417.8	1684.50 (22/5)	1410.20 (2/11)
All Mining (1/1/80)	601.1	602.8	608.2	603.6	726.80 (3/7)	593.30 (19/10)
AUSTRIA						
Credit Aktien (30/12/84)	331.31	328.24	328.89	327.70	458.57 (24/2)	291.41 (13/8)
Traded Index (2/1/91)	802.75	794.59	798.48	795.23	1099.43 (24/2)	682.96 (13/8)
BELGIUM						
BEL20 (1/1/91)	1156.20	(c)	1139.96	1137.35	1235.40 (2/6)	1046.07 (2/9)
DENMARK						
Copenhagen SE (3/1/83)	(u)	252.86	252.21	251.09	365.29 (15/1)	250.42 (28/10)
FINLAND						
HEX General (28/12/90)	798.6	758.2	751.0	754.6	935.90 (24/2)	541.00 (7/9)
FRANCE						
CAC General (31/12/81)	468.30	(c)	460.91	465.32	555.93 (12/5)	441.70 (7/10)
CAC 40 (31/12/87)	1786.93	(c)	1742.40	1730.87	2077.49 (11/5)	1611.04 (5/10)
GERMANY						
FAZ Aktien (31/12/58)	591.39	586.67	591.40	592.30	725.26 (26/5)	565.61 (12/10)
Commerzbank (1/12/53)	1671.70	1656.70	1670.2	1674.10	2043.80 (25/5)	1594.60 (12/10)
DAX (30/12/87)	1485.00	1472.57	1492.32	1493.64	1811.57 (25/5)	1420.30 (6/10)
HONG KONG						
Hang Seng Bank (31/7/64)	6197.44	6231.17	6290.69	6117.50	6329.12 (22/10)	4301.78 (2/1)
IRELAND						
ISEQ Overall (4/1/88)	1145.62	1143.52	1144.86	1154.77	1469.57 (17/1)	1094.88 (19/10)
ITALY						
Banca Com. Ital. (1972)	450.61	446.25	439.03	428.51	551.59 (6/2)	354.93 (16/9)
MIB General (2/1/92)	894.0	886.0	871.0	848.0	1086.00 (5/2)	696.00 (16/9)
JAPAN						
Nikkei (16/5/49)	(c)	16853.36	16767.48	16937.71	23801.18 (6/1)	14309.41 (18/8)
Tokyo SE (Topix) (4/1/68)	(c)	1280.44	1278.91	1287.13	1763.43 (6/1)	1102.50 (18/8)
2nd Section (4/1/68)	(c)	1657.42	1667.94	1675.87	2459.85 (6/1)	1502.77 (19/8)
MALAYSIA						
KLSE Composite (4/4/86)	653.07	649.06	641.31	637.13	663.07 (3/11)	546.63 (14/1)
NETHERLANDS						
CBS Tsl.Rtn Gen.(End 1983)	288.4	286.4	284.5	286.1	314.90 (9/6)	274.00 (8/1)
CBS All Shr (End 1983)	194.4	193.0	191.8	192.8	215.50 (26/5)	189.70 (25/8)
NORWAY						
Oslo SE (Ind) (2/1/83)	618.16	615.94	618.92	618.13	772.74 (18/5)	532.43 (25/8)
PHILIPPINES						
Manila Comp (2/1/85)	1352.52	(c)	1361.48	1357.81	1589.95 (11/6)	1083.81 (17/3)
SINGAPORE						
SES All-Singapore (2/4/75)	378.91	371.30	364.44	364.15	416.99 (21/1)	351.41 (21/10)
SOUTH AFRICA						
JSE Gold (28/9/78)	824.04	815.0	815.0	815.0	1327.00 (21/1)	782.00 (15/10)
JSE Industrial (28/9/78)	4014.04	4012.0	4013.0	4016.0	4689.00 (4/6)	3936.00 (19/10)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	605.52	621.97	610.09	605.78	691.48 (8/2)	459.07 (21/8)
SPAIN						
Madrid SE (30/12/85)	199.65	197.78	198.47	196.62	266.51 (28/2)	179.48 (5/10)
SWEDEN						
Affarsvarlden Gen (1/2/37)	729.80	713.20	706.9	714.00	1014.50 (11/5)	639.00 (5/10)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	853.5	848.0	843.6	838.2	883.40 (11/5)	748.50 (8/1)
SBC General (1/4/87)	645.2	643.0	641.5	639.6	682.30 (11/5)	596.40 (26/8)
TAIWAN**						
Weighted Price (30/6/66)	3559.66	3559.51	3631.73	3640.90	5391.63 (30/1)	3351.63 (26/9)
THAILAND						
Bangok SET (30/4/75)	942.08	950.23	940.35	931.36	950.23 (2/11)	667.84 (19/5)
WORLD						
M.S. Capital Intl (1/1/70) (§)	489.2*	486.9	486.4	487.5	542.10 (7/1)	467.50 (30/10)
Euro Top-100 (26/6/90)	834.58	824.96	822.71	820.66	976.55 (25/5)	772.52 (5/10)

**Saturday October 31. Taiwan Weighted Price (c), Korea Comp Ex 615.58

♦ Subject to official recalculation.

*Calculated at 15 00 GMT

Base values of all indices are 100 except, Austria Traded, BEL20, HEX Gen., MIB Gen., CAC40, Euro Top-100, ISEQ Overall and DAX—1,000, JSE Gold—255.7, JSE 20 Industrials—264.3 and Australia All Ordinary and Mining—500; (c) Closed. (u) Unavailable.

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FINANCIAL TIMES

LONDON PARIS FRANKFURT NEW YORK TOKYO

3 pm November 3

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992 High	1992 Low	Stock	Div.	Yld. %	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	11	AAR Corp	0.48	4.0	19	426	12¼	12	12¼	+¼
27⅛	18	A L Labs A	0.18	0.7	97	195	u27⅜	26⅞	27¼	+⅜
68¼	52⅞	AMP Inc x	1.52	2.4	23	1126	63½	63¼	63¼	+1 03
80¼	54¾	AMR			12	2790	63⅞	62	62⅝	-⅛
2⅛	1⅝	ARX			14	182	2⅛	2⅛	2⅛	-⅛
53½	30¼	ASA	2.00	6.3	21	730	31⅞	31⅛	31⅞	+½
34⅛	26⅛	Abbott Lab	0.60	2.1	20	7706	29¾	29	29¼	-½
13⅞	10⅝	Abitibi Pr	0.42	3.7	5	3	11¼	11¼	11¼	
11⅝	10⅛	ACM Gvt In	0.96	8.6		227	11⅛	11⅛	11⅛	
10⅞	9⅛	ACM GvOpp	0.79	8.2		21	9⅝	9⅝	9⅝	
9¾	8½	ACM Gvt Sp x	0.85	9.4		70	9⅛	9	9	+⅛
11⅞	10⅛	ACM Gvt Sc x	1.00	9.5		206	10⅞	10¾	10⅞	
10⅝	8⅝	ACM Man	1.08	11.1		73	9¾	9⅝	9¾	+⅛
12⅞	9⅛	ACM Managd	0.99	10.0		121	9⅞	9¾	9⅞	+⅛
11⅞	4⅛	Acme Clev x	0.40	5.2	14	121	7⅝	7½	7⅝	
6⅛	3¾	Acme Elect			33	16	4½	4⅜	4⅜	-⅛
33⅛	14⅝	Acuson			12	187	16⅞	16¼	16¼	-⅝
20	18⅛	Adams Expr	0.48	2.4	1	26	19¾	19⅝	19¾	
49⅛	29½	Ad Micro	3.00	7.3		222	41½	41⅛	41⅞	-½
21½	7½	Ad Micro P	3.00	19.2		56909	15¾	15¼	15⅝	-⅛
9⅛	4⅞	Advest Grp	0.16	2.7	12	25	5⅞	5¾	5⅞	+⅛
42¼	33	Aegon ADR	1.35	3.3	7	103	41½	41	41½	+⅝
47	38	Aetna LI	2.76	6.5	10	1608	42⅞	42	42¼	-⅛
12¾	8⅛	Affil A	0.24	2.3	14	131	10¾	10⅝	10⅝	-¼
34	24	Aflac	0.44	1.4	15	1921	31½	30¾	30⅞	-⅝
19⅞	13	Ahmanson	0.88	6.0		74988	14⅞	14⅝	14⅝	-⅛
22½	4	Aileen Inc			9	446	5¼	5⅛	5⅛	-⅛
49½	36½	Air Pr Chm	0.86	1.8	19	1276	48	47⅝	48	+⅛
29⅞	12½	Airbne Frt	0.30	1.5	10	124	19⅞	19⅝	19⅞	+⅛
35¼	22⅝	Airgas Inc			28	107	35½	35¼	35¼	-⅛
12⅛	8⅛	Airlease x	1.68	16.0	8	132	10¾	10½	10½	-¼
104	99½	AlaPw8 16	8.16	8.0		z100	101½	101½	101½	

Continued on next page

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NYSE COMPOSITE PRICES

Continued from previous page

1992 High	Low	Stock	Div.	Yld. %	P/ E Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
70	63½	Sallie Mae	1.00	1.5	163130	69½	68	68	-¼
14¼	13	Salomon Br	1.41	10.0	1041	u14¼	13⅞	14⅛	+⅛
38⅛	26¾	Salomonlnc x	0.64	1.8	133059	35⅜	35⅛	35⅛	-⅛
25	21⅛	SanDgo G&E	1.44	6.0	14 194	24⅛	24	24	-⅛
4⅞	2⅞	SantaFeEDu z	0.40	10.0	66 30	4⅛	4	4	-⅛
9⅞	7	SantaFeEfs r	0.15	1.8	805 806	9⅛	8⅝	8⅝	-½
39⅞	30¼	SantaFePac	2.80	7.4	13 31	37⅞	37½	37⅞	-⅜
14⅛	10⅝	SantaFeSth	0.10	0.8	324450	13¼	12⅞	13⅛	+¼
60⅛	46⅝	Sara Lee	1.00	1.7	231099	60	59	59⅛	-⅞
9½	1¼	Savin			0 4	1⅝	1½	1½	
44⅞	38⅝	Scana Corp	2.88	6.5	13 373	41¾	41⅜	41½	-⅛
47⅝	40¼	Scecorp	2.80	6.4	132243	44⅜	44	44	-⅛
68	49⅞	SchsringPl x	1.56	2.5	172920	62⅝	61⅝	62⅛	
70⅞	52¼	Sch'berger	1.20	1.9	184050	64	63	63⅞	-⅞
37¼	16⅝	Schwab(C)	0.24	1.1	121984	22⅝	21½	22	+½
10⅞	4½	Schwitzer			52 218	6⅝	5⅞	6⅛	-⅛
30½	15¼	ScientAtln	0.16	0.5	331024	30⅛	29½	29⅞	+¼
10⅝	7⅛	Scotmen x	0.10	1.1	77 31	9⅛	9⅛	9⅛	
46	34½	ScottPaper	0.80	2.1	761046	39⅛	38⅝	38¾	-⅛
17½	13½	ScuddrNAsF	0.22	1.5	39	14¾	14½	14¾	+⅛
9⅜	8⅛	ScuddrNEuF	0.30	3.6	118	8⅜	d8⅛	8¼	
24	13	Sea Conta x	0.45	3.3	8 7	13¾	13⅝	13¾	+⅛
15¾	14⅞	SeaC1.4625	1.46	9.5	2	15½	15½	15⅜	
31	25⅛	Seagram Co	0.56	2.1	141586	27⅜	27	27⅛	-¼
32	21⅝	Seagull En			82 31	30¾	30⅝	30⅝	
28½	20½	Sealed Air			22 45	24	23¾	23¾	-¼
23	12¼	SPX Corp	0.40	2.0	14 781	19⅞	19⅛	19⅝	-⅜
48	37	Sears Roeb	2.00	4.7	363590	42⅛	42	42⅛	
13⅛	11⅞	Seligm Sel	0.84	6.9	125	12⅜	12¼	12¼	-⅛
31¼	22½	Sensormat	0.30	1.0	24 862	28¼	28½	28⅝	-⅛
51	34½	Sequa A	0.60	1.7	38 11	34⅞	d34½	34½	
58	42	Sequa B	0.50	1.2	22 10	42½	42½	42½	
18¾	15¾	ServiceCpI	0.40	2.3	161257	17½	17⅛	17⅜	
29⅞	22	Servicemtr	1.19	4.2	11 275	28¾	28⅜	28½	+⅛
28⅞	17	Shaw Ind	0.30	1.1	25 655	28¼	28	28⅛	
19¼	8⅞	Shawmut Nt	1.00	6.2	281456	16⅜	16⅛	16⅛	-⅛
10⅛	6⅝	Shelby Wil	0.24	3.0	36 277	8	8	8	
58⅛	45⅝	Shell Tr&T	2.75	5.4	11 950	51⅛	50⅝	50¾	+¼
30⅞	25⅛	Sherwin Wl	0.44	1.6	17 571	29⅛	29	29⅛	
27¼	15¾	Shoneys			172281	20⅛	19⅝	20¼	+⅝
14⅞	8¼	Showboat	0.10	0.8	11 186	13¼	13	13⅛	+⅛
24⅞	17⅞	Sierra Pac	1.12	5.9	11 146	19⅛	19	19	
24⅝	14	SignalApp			3 27	16⅛	16⅛	16⅛	+⅛
41⅛	21¾	Signet Bnk	1.20	3.1	43 73	39⅛	38½	38½	-½
29¾	14¼	SiliconGr			204150	25⅞	24¾	25⅛	+⅛
12	9½	Sizeler x	1.04	9.3	26 34	11⅛	11	11⅛	+⅛
15⅛	9	Sizzler x	0.16	1.7	45 186	9¾	9½	9½	-⅛
18⅞	14	Skyline	0.48	2.8	30 92	17½	17⅛	17¼	
4½	2⅞	SL Inds	0.06	1.6	17 70	4	3⅞	3⅞	-⅛
9⅞	6⅛	SmithCorp x	0.20	3.0	15 159	6⅝	6⅝	6⅝	-⅛
10⅝	6⅛	Smith Intl			131860	8⅝	8⅜	8⅝	+⅛
48	36¾	SmithKBchm	0.84	2.0	16 129	41¾	41½	41½	+¼
42⅞	30¼	SmithKB Eq	1.95	5.3	1385	37⅛	36¾	36¾	+⅛
43¼	25¾	Smiths Fd	0.44	1.3	13 204	35	34¾	34¾	-¼
39	24½	Smucker J	0.42	1.5	23 21	28⅛	27¾	27¾	-⅛
40	28⅜	SnapOnTls	1.08	3.7	17 170	29¼	28⅞	29	-¼
10½	5⅞	Snyder Oil	0.20	2.2	32 126	9⅛	9¼	9¼	-⅛
30¾	18⅝	Solectron			33 385	30⅛	29⅞	29⅞	+⅛
[illegible]	⅜	Solitron D			0 5	[illegible]	[illegible]	[illegible]	
44⅞	29⅛	Sonat Inc	2.00	4.7	351636	43⅛	42⅝	42⅝	-⅜
38	28¼	Sony ADR x	0.32	1.0	15 64	39⅞	38½	39⅛	+⅛
16⅝	9⅝	Sothebys	0.60	5.4	554862	11¼	10½	11⅛	+⅛
47⅞	43	Source Cap	3.60	7.9	8	45⅞	45½	45½	+¼
38¼	32⅝	SouthCar5%	2.50	6.7	z100	37	37	37¼	+¼
23⅞	19½	SthJersInd	1.44	6.2	14 28	23¾	23⅛	23¾	+⅛

1992 High	Low	Stock	Div.	Yld. %	P/ E Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
58	41	TRW Inc	1.88	3.6	37 218	52⅛	52⅛	52¼	-½
30⅞	18⅛	T2 Medcl	0.02	0.1	1680	25⅞	23⅞	24⅛	-1⅝
30⅞	15⅛	Taiwan Fd			116	19⅛	19⅛	19⅛	-⅛
4⅛	2⅛	Talleyind	0.42	11.2	0 158	3⅜	3⅜	3⅜	+⅛
7½	5	Talley Pf	1.00	15.4	16	6½	6⅜	6½	
70½	58⅛	Tambrands	1.52	2.3	27 298	67⅛	66⅝	66⅝	-⅛
15⅛	9⅞	Tandem			343941	13⅛	13	13⅛	
31¼	22⅞	Tandy Corp	0.60	2.3	721012	26⅞	26⅝	26⅝	-⅛
14¼	11⅞	Taurus Mun z	0.86	6.7	66	12⅝	12½	12¾	+⅛
41⅛	38	Taco Energ	1.82	4.5	15 109	40⅛	40	40⅛	
22⅞	16½	Tektronix	0.60	2.9	31 318	21½	21	21	-⅛
1½	⅞	Telecom Cp			2 10	1⅛	1⅛	1	
26⅛	17⅛	Teledyne	0.80	4.5	15 166	17⅞	17⅝	17⅝	-½
35⅞	25⅛	TeleEspSA	2.05	7.7	57946	26¾	26⅜	26⅞	+⅛
60	40⅝	Telmex ADR	0.48	1.0	249130	51¾	50⅞	50½	-⅜

1992 High	Low	Stock	Div.	Yld. %	P/ E Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
10⅛	9⅛	USLIFE Inc	0.92	9.2	0 40	10	9⅞	10	+⅛
24⅛	15⅛	USX Mrtn x	0.68	4.1	2773365	16⅞	16⅝	16⅝	-⅛
30⅞	22⅛	USX US Stl z	1.00	4.0	71321	25⅞	24⅞	25	-⅞
28⅛	22⅝	Utlcp1.775	1.78	6.6	10	27⅛	27⅛	27	
29	22⅛	Utilicorp	1.60	5.8	16 173	28	27¾	27¾	-¼

- V -

1992 High	Low	Stock	Div.	Yld. %	P/ E Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
51⅞	38½	VF Corp	1.20	2.3	14 683	u51⅝	50¾	51⅛	+⅞
33⅞	21½	Valero En	0.44	1.9	574	23⅛	23	23	-⅛
11⅝	7⅞	ValeroNGas	1.20	15.6	4 178	8⅜	9½	8⅝	+⅛
7½	4⅛	Valhi Inc x	0.20	4.0	125 162	5	4⅞	5	
18⅝	12⅞	Van Dorn	0.60	3.2	52 45	19	18⅞	19	
8⅛	6½	VanKamp HI	0.99	13.2	52	7½	7⅝	7½	

1992 High	Low	Stock	Div.	Yld. %	P/ E Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
55	50½	Xerox4.125			z100	52⅛	52⅛	53	+⅛
34⅛	24⅞	Xtra 1.94	1.94	6.0	37	32½	31½	32½	+⅛
47⅛	28½	Xtra Corp	0.60	1.8	13 266	45⅛	44	45¼	+1¼
30⅞	25⅛	Yankee Egy	1.66	5.7	13 20	28⅞	28¾	28⅞	+⅛
1½	½	Zapata			28 654	1⅛	[illegible]	1⅛	+⅛
11⅛	5	ZenithElec			1 378	5⅝	5½	5½	-⅛
19½	14½	Zenith Nat	1.00	5.8	8 112	17¼	17	17¼	+¼
7½	6	Zenix Inc	0.82	12.6	168	6⅝	6⅜	6½	+⅛
13¾	10	Zero Corp x	0.40	3.1	19 320	13	12⅞	12⅞	-⅛
36	27¼	Zurn Ind x	0.88	2.7	36 110	32½	32⅛	32⅜	-⅛
14⅛	12	Zweig Fund	1.12	9.1	105	12½	12⅜	12⅜	
11	9½	Zweig Totl	0.96	9.6	230	10	9⅞	10	+⅛

Price data supplied by Telekurs.

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3 pm November 3

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Acton Cor		0	2	5¾	5¾	5⅝	-⅛
Air Expr	0.14	16	254	26⅞	25⅞	26⅝	-⅛
Alfin Inc		1	63	⅜	⅜	⅜	
Alpha Ind		300	49	3⅛	3	3	-⅛
Am Isr Pa	0.50	15	z100	55	55	56	+⅞
Amdahl A	0.64	10	129	23⅞	23⅛	23⅛	+⅛
Amdahl Cp	0.10	34	4103	8⅝	8	8½	+⅜
Am Expl		5	570	2⅛	[illegible]	2⅛	+[illegible]
Ampal - Aad		13	269	6	6	6	-⅛
ASR Invs	0.80	9	231	[illegible]	3	3	-⅛
Astrotech		11	49	4½	d4⅛	4½	
Atari		1	36	1⅛	1⅛	1⅛	-[illegible]
AtlasCM B		1	85	[illegible]	½	½	

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Champion		53	648	u7⅞	7	7	+⅛
Chiles		0	60	1¾	1¾	1¾	
Cenl FdA	0.01		176	[illegible]	3⅞	3⅞	
Cominco	0.42	35	z100	16½	16½	16⅜	
Computrac		5	4	1⅜	1⅜	[illegible]	-[illegible]
Consl FdA.		35	4	4⅛	4⅛	4⅛	-⅛
CrossAT A	1.28	17	115	20⅛	19⅞	19½	-⅞
Crown C A	0.40	5	7	15¾	15⅛	15⅝	+⅛
Crown C B	0.40	10	68	12⅝	12⅝	12⅝	-⅛
Cubic	0.53	15	80	17½	17	17	-⅛
Customedix		5	z100	1⅝	1⅛	1⅝	
DI Inds		11	13	[illegible]	[illegible]	[illegible]	
Decorator		6	10	4	4	3⅞	
Duplex x	0.46	21	31	10⅛	10⅛	10⅛	-⅛

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Health Ch		9	35	1⅝	1⅝	1⅝	
Healthvst		4	31	1[illegible]	1⅝	1⅜	
Heico Cp	0.15	16	11	13¾	13¾	13⅞	+⅛
Hillhaven		4	607	2⅞	[illegible]	2⅞	
Horn&Hdt		1	2527	2⅝	[illegible]	[illegible]	-[illegible]
Hovnanian		56	430	9⅞	9⅛	9⅞	
ICH Corp		5	244	[illegible]	4⅛	4⅛	-⅛
InstSysPl	0.34		33	5⅛	5	5⅛	+⅛
Int Mobile		10	711	8⅛	8⅛	8⅛	
Intermagn		14	161	u8⅞	8½	8½	
Intermark		0	15	⅛	d⅛	⅛	
IntTstchg		0	10	[illegible]	[illegible]	[illegible]	-[illegible]
Jan Bell		33	1668	u19	18⅝	18⅞	-⅛

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Oilsten	0.32	27	394	33⅝	33	33¼	+⅛
Pegasus G	0.10	32	1132	15½	15⅜	15⅜	-⅛
Perini	0.80	27	245	u14⅞	14	14⅞	+⅞
Pel H&P	1.14	13	z100	15⅛	15½	15¾	+⅛
Phil LD	0.26	16	103	36⅞	36⅝	36¾	
Pitway A	1.10	16	93	31	30½	30½	-½
Ply Gem	0.12	20	36	10¼	10	10¼	+⅛
PMC x	0.68	15	212	u11⅝	11⅞	11⅞	-⅛
PresRkA x	0.10	1	31	1[illegible]	1[illegible]	1[illegible]	-[illegible]
Price Cmt		0	1521	[illegible]	d0.05	0.05	
RB&W Cp		2	28	3⅛	3⅛	3⅛	-⅛
RiedelEnv		14	8	8⅞	8⅞	8⅞	+⅛
SJW Corp	1.96	8	16	32½	32¼	32⅛	-⅛

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Bow Valley		3	5	8⅝	d8½	8⅝	
Bowmar		13	95	2⅜	2⅛	2⅜	
Bowne	0.30	8	317	14	13⅝	13⅞	-⅛
Brascan A	0.66	25	3	14⅞	14¾	14⅞	+⅛
BSN Corp	0.16	15	273	8⅞	8½	8⅞	+⅜
Cal Engy		16	556	15⅛	14⅝	14⅝	-⅛
Calprop		0	30	⅞	⅞	⅞	-[illegible]
Can Marc	0.23	8	z100	11⅛	11⅞	11⅞	
Chedrs A	0.01	100	1329	5⅛	4⅞	5	+[illegible]
Chambers		6	41	5	4⅞	5	-⅛

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Forest La		30	1324	39⅛	39	39	-⅛
Frequency		460	577	4⅛	4½	4½	
Fr ofLoom		20	714	47⅛	46⅛	46⅛	-⅛
Giant FdA x	0.68	15	1218	18⅛	17¾	18⅛	+⅛
Glatfltr	0.70	12	1075	19½	d18⅛	18⅛	-1½
Goldfield		2	152	[illegible]	[illegible]	[illegible]	
Greenman		6	3	5½	5½	5½	-⅛
Gulf Cda	0.34	6	314	4⅛	4⅜	4⅜	-⅛
Hasbro x	0.20	19	1074	34	33¾	34	+⅛

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Moog Co		17	15	5⅛	d4⅞	5⅛	+⅛
Moog A		15	368	4⅛	d3⅞	4	
MSR Expl		2	26	[illegible]	[illegible]	[illegible]	
Nat Pznt		2	199	2[illegible]	2½	2[illegible]	+[illegible]
New Line		22	185	12½	12⅛	12⅛	-⅛
NY TimesA	0.56	71	1941	27⅞	26⅜	27⅞	+1⅛
NthCanOil	0.17	59	17	10⅞	10⅜	10⅜	-⅛
Numac OSS		2	7	4⅛	4⅛	4⅛	+[illegible]
NY Ryan		1	387	⅝	½	⅝	+⅛
Odetics A		32	27	5⅛	5⅛	5⅛	

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
UniFoodsB	0.20	4	5	1⅝	1⅝	1½	-⅛
UnivPtnts		44	29	10⅛	9⅞	10⅛	
US Cellul		90	140	19⅛	18⅞	19	+⅛
WangLab C		0	12	1⅞	1[illegible]	1[illegible]	
WangLab B		0	1321	½	[illegible]	[illegible]	
Weatherfd		117	671	6⅛	5⅞	5⅞	-⅛
Westamer	0.62	9	224	20⅛	20	20⅛	+⅛
WIRET	1.12	17	143	13	12⅞	13	
Worthen	0.20	9	247	u24	22⅛	23½	+1⅛
Xytronix		10	272	11	10⅛	10⅜	+⅛

NASDAQ NATIONAL MARKET

3 pm November 3

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
ABWBrands	0.44	20	1084	34⅛	32¾	33⅞	+⅝
ACC Corp x	0.16	43	147	17	16	16½	
Acclaim E		23	3745	12⅞	12⅛	12⅞	+½
Acme Mts		15	83	11½	d11	11¼	+¼
Acxom Cp		26	229	27¼	27	27¼	
Adaptech		16	3776	23¼	22⅛	22⅝	-⅛
ADC Tele		29	94	37	36⅛	36⅝	-⅛
Addington		81	194	15	14½	14¾	
Adia Serv	0.16	22	12	17	16¾	17	+1¼
Adobe Sys x	0.32	15	4827	35½	33¼	33¼	-1¾
Advance C		9	835	6½	6⅜	6½	+⅛
Adv Logic		6	142	4⅛	3⅞	4¼	+½
Adv Polym		14	132	7¾	7½	7¾	

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
Dibrell B	0.80	15	797	36¼	35¾	36¼	+½
Digi Intl		22	670	17¼	16¾	16¾	-½
Dig Micro		3	132	6¼	5¾	5¾	
Dig Sound		28	347	2½	2¼	2¼	-¼
Dig Syst		10	83	8½	7¾	7¾	-⅛
Dollar Cp		20	757	u37½	36¼	36¾	+½
Dale Ym	0.20	4	22	10¾	10¼	10¾	+½
DNA Plant		5	813	5⅛	4⅞	5	
Dollar Gn	0.20	24	868	25⅞	25	25⅛	-⅛
Dom Bksh	0.44	41	1290	20⅝	20½	20½	
Dorch Hs x	0.20	59	150	10⅜	10¼	10¾	+½
DrecoEngy		12	636	15½	14¾	14¾	
DressBarn		21	1448	u16⅝	16⅛	16⅛	-⅛

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
Lance Inc	0.96	17	50	23¼	22¾	22¾	
LandmkGph		14	191	12½	11⅞	12¼	+¼
Laserscpe		4	138	4⅝	4⅜	4⅝	+¼
Lattice S		16	3251	18⅛	18	18⅛	+⅛
Lawson Pr x	0.48	20	485	23	22½	22⅜	-¼
LDI Cp		5	55	7¼	6⅞	7¼	+¼
Lechters		24	312	19¼	18½	19⅛	+⅛
Legent Cp		55	1850	46	44¾	44⅞	-⅞
LibtyNtBc	0.80	13	63	30	29¾	30	+½
Life Tech x	0.20	23	364	22¼	21½	22	+½
Lifeline		337	160	3⅜	3	3⅜	+⅜
LillyIndA	0.52	18	28	19½	18¾	19¼	+½
Lin Broad		25	107	67¼	66	66⅛	-¼

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
Seagate		6	16876	16	15⅝	15¾	+¼
SEI Cp	0.15	23	21	28	27¼	27⅜	-¼
Sebela B	0.36	0	65	2½	2¼	2¼	
Selectins	1.12	8	2	21¼	20¼	20¼	-½
Sequent		42	3729	15⅝	14⅝	15⅛	
Sequoia		51	482	5⅞	4⅞	5⅛	-⅛
Serv Tech		16	27	12¼	11½	11½	
ServFract		24	141	3⅞	3½	3⅜	
Sevenson		15	206	11	10	10½	+½
StateMut x	0.84	17	657	22	21⅞	21⅝	+⅛
SHL Systm		8	21	7⅛	6⅞	6⅞	-⅛
Shorewood		16	151	11⅛	10½	10⅝	-½

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
Xoma Corp			5	1599	9½	9[illegible]	9⅛
Yellow Fr	0.94	21	920	27⅛	27⅛	27⅛	-⅛
York Rsch		7	1704	7⅛	6[illegible]	7¼	+[illegible]
ZionsUtah	1.44	10	180	u63	61	62⅛	+⅛

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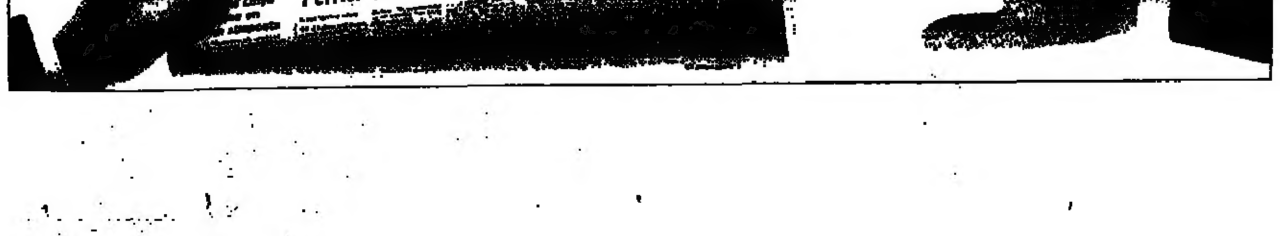

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FINANCIAL TIMES

AMERICA

Subdued trading as US goes to the polls

Wall Street

US SHARE prices weakened slightly in subdued trading as voters went to the polls to elect a new President, *writes Patrick Harverson in New York*.

By 1 pm the Dow Jones Industrial Average was down 11.34 at 3,250.87. The more broadly based Standard & Poor's 500 was also weaker at midsession, down 3.03 at 420.75, while the Amex composite eased 0.02 to 382.68 and the Nasdaq composite dropped 2.94 to 604.93. Turnover was 121m shares by 1pm, and declines outpaced rises by 805 to 774.

Analysts attributed some of the early selling to profit-taking following Monday's advance. News of a 0.3 per cent decline in September's leading economic indicators also contributed, suggesting that the economy remains trapped in a weak growth phase.

Overall, however, sentiment was positive about the likely outcome of the presidential vote. Some observers said that the market was in a "no-lose" situation. If Mr Bill Clinton wins, the market would be pleased because its expectations would have been met and because a Democrat president would immediately stimulate economic activity with an aggressive fiscal package.

On the other hand, if President George Bush earns a stunning victory, analysts said that the market would celebrate because, ultimately, equity investors will always favour a Republican over a Democrat.

The big corporate story remained General Motors, following the shake-up on Monday of the company's senior management. The car manufacturer's stock rose another $⅝ to $32½ in turnover of 3.2m shares as investors welcomed the appointment of Mr John Smale as chairman and Mr Jack Smith as chief executive, and the introduction of new, younger, managers to run a company burdened by high costs and a shrinking market share.

Oil stocks weakened across the board. Chevron fell $1¼ to $68¾, Texaco slipped $⅞ to $59¼, Occidental dropped $⅝ to $16½ and Phillips shed $⅞ at $23⅞.

Berlitz International plunged $2¼ to $20 in busy trading after the Japanese publisher planning to buy the company announced that he wanted to renegotiate the terms of the acquisition in the wake of the big drop in Berlitz's third quarter operating income.

On the Nasdaq market, Coventry fell $⅛ to $19⅛ after the company reported third-quarter net profits of 29 cents a share, up from the 20 cents a share earned a year ago but slightly below analysts' forecasts.

Canada

TORONTO stocks slipped at midday as the TSE 300 fell 13.5 to 3,365.5 in turnover of C$173m. Royal Bank of Canada lost C$⅛ to C$24⅝ after raising its provisions for loan losses for the fourth quarter.

EUROPE

Dollar's strength helps to lift continent

BOURSES rose on a stronger dollar and the early closing markets, particularly, were lifted by Wall Street's overnight gains, *writes Our Markets Staff*. But for some, the stimuli were stronger, and more specific.

PARIS closed just below the day's high, encouraged by Monday's interest rate cut and on hopes that there was scope for further easing. A strong Matif and a firm dollar also lifted the market. The CAC-40 index ended 44.53 or 2.6 per cent higher at 1,786.93, in good turnover of FFr2.9bn, although dealers said a substantial part was options-related.

Rises were across the board, with Elf up FFr5.50 to FFr355.50, Alcatel FFr19 higher at FFr659 and Lafarge FFr15.10 up at FFr309.

But Rhône-Poulenc CIs dropped FFr9 to FFr502 after its unit Institut Merieux International confirmed that until November 1985 it exported a blood product for haemophiliacs which had not been tested for the AIDS virus or heated to kill the virus. Shares in Merieux were temporarily suspended and later lost FFr740 or 9.6 per cent to FFr7,000.

Peugeot also bucked the firmer trend, losing FFr4 or FFr511 on news that registrations of cars made by the Peugeot-Citroen group tumbled by 11.1 per cent in October.

FRANKFURT had another quiet day, with German stock market turnover estimated at little more than Monday's DM3.1bn as the DAX index rose 12.43 to 1,485.00.

Mr Thomas Nolten, a dealer with B Metzler in Frankfurt, said that the direct effect of the dollar and Wall Street's overnight gains was that traders, including DTB DAX futures traders, felt obliged to close their short positions.

Big DAX stocks moved accordingly although in chemicals, where the bad news came from Bayer on Monday, the big gains were reserved for BASF and Hoechst, up DM4.50 to DM411 and DM5 to DM236 respectively, while Bayer put on only DM1.90 to DM256.40.

Constructions performed well, led by Holzmann which closed DM30 higher at DM30. The sector still has good orders for the short- and medium-term, noted Mr Nolten.

STOCKHOLM jumped 2.3 per cent in heavy trading on the stronger dollar. The Affärsvärlden General index rose 16.6 to 729.8 in strong turnover of SKr766m after SKr454m.

Dollar-sensitive issues rose, while demand remained strong for Astra ahead of its nine-month report, due on November 11. The A shares were up SKr13 to SKr589, while the B shares rose SKr12 to SKr570.

COPENHAGEN's banks and shipping shares led the Danish advance as the KFX index gained 1.01 to 72.62 in turnover of DKr179m. Danske Bank and Unibank recovered some of their recent sharp declines to close DKr5 and DKr3 higher at DKr109 and DKr204 respectively, while D/S Svendborg, part of the export-dependent shipping and oil group, AP Moeller, rose DKr3,500 to DKr108,500.

HELSINKI jumped 5.3 per cent, the Hex index closing 40.4 higher at 798.6 in turnover of FM83.2m, extending its recovery to some 30 per cent in just over two weeks. The banks and finance house index gained 14.1 per cent, reflecting the sharp fall in Finnish interest rates over the last few weeks.

AMSTERDAM closed firmer, boosted by a strong rise in Akzo shares in the wake of its pleasing third-quarter results. The CBS Tendency index rose 1.1 to 103.2.

Akzo rose Fl 6.20 or 4.9 per cent to Fl 134.00 after its 0.4 per cent increase in third-quarter net profit pleased the market, since it had expected a decline.

The firmer dollar helped to lift Ahold, Aegon, Royal Dutch and Unilever.

MILAN ended up but well off early highs as demand fell back after the official fixing. The Comit index rose 4.36 to 450.61 in turnover estimated around Tuesday's L225.3bn.

Among leading stocks, Fiat rose L111 to L4,600 and Montedison added L7 to L1,242. Stet rose L50 to L1,530 but Mediobanca fell L240 to L12,000.

ZURICH lost some of its early gains as the dollar declined in the afternoon, and New York opened flat. The SMI index put on 11.5 to 1,933.1, after a morning high of 1,940.4.

BRUSSELS rose in brisk trading following a three-day weekend. The Bel-20 index added 16.26 or 1.4 per cent to 1,156.22. Petrofina continued its recent recovery with a rise of BFr230 to BFr8,310.

FT-SE Actuaries Share Indices

November 3 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1040.76	1041.87	1041.54	1039.12	1038.56	1039.61	1038.21	1038.76
FT-SE Eurotrack 200	1107.37	1107.88	1109.92	1106.87	1105.49	1105.93	1104.23	1105.49

	Nov 2	Oct 30	Oct 29	Oct 28	Oct 27
FT-SE Eurotrack 100	1032.82	1028.47	1025.26	1028.09	1038.79
FT-SE Eurotrack 200	1095.06	1090.07	1086.76	1091.64	1100.79

Base value 1000 (26/10/90) Highday: 100 - 1042.15, 200 - 1110.12 Lowday: 100 - 1037.49 200 - 1102.05

SOUTH AFRICA

JOHANNESBURG ended firm in quiet trading, boosted by weakness in the financial rand. The overall index closed 14 up at 3,031, just off a high of 3,033, as golds rose 9 to 824. The industrial index added 2 to 4,014.

New issue flood looms over Bombay equities

R C Murthy and **Stefan Wagstyl** assess prospects for India's stock markets after this year's scandals

A sharp decline in India's scandal-hit stock markets in the past month is making life increasingly difficult for companies seeking to raise funds in the capital markets.

The Bombay Stock Exchange's (BSE) 30-share index dropped by 14.5 per cent between October 1 and last Friday, including a 5.3 per cent fall last week. After Friday's ban on short sales, and closing for settlement work on Monday, it recovered 3.3 per cent to 2,928 yesterday; but volume was thin and institutional interest was limited.

Confidence has been hit by lingering concern about the scandal in the inter-bank securities market, in which leading stockbrokers are involved, and by the shock of mass tax raids on brokers' offices two weeks ago.

Investors have also been swamped by a flood of new issues, including rights issues. Companies are planning to raise an estimated Rs150bn ($5.3bn) in equity and equity-linked bonds in the financial year which started in April, compared with Rs57.4bn in the whole of 1991-92.

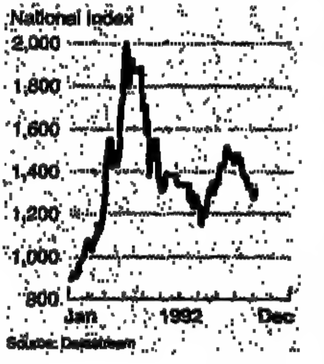
It is surprising that signs of financial indigestion did not appear earlier. The scandal first erupted in April and punctured a 15-month rally in equity prices in the secondary market. The BSE 30-share index slid from its April peak as financial institutions reported heavy scandal-linked losses and the exchange closed for a month.

However, investors' appetite for primary issues has remained strong, primarily because of the extremely large discounts offered in the primary market. Lured by mass-marketing campaigns involving posters and newspaper advertisements, investors flocked to stag issues – that is to buy in the primary market and quickly sell the stock in the secondary market.

The market's recent plunge has closed the stags' window of opportunity as prices in the secondary market have fallen, sharply reducing the discounts offered in the new issue market. Mr R Sankaran, managing director of Ind-Global Financial Services, a leading securities company, says: "The investor is becoming more mature and consequently more discriminating in subscribing to new issues and rights issues. He has a choice now."

India

National index



Source: Datastream

The first big company to have run into difficulties is Ceat Tyres, one of India's largest tyre makers and a member of the RPG group, a Calcutta-based industrial conglomerate. Ceat initially set a deadline of October 14 for acceptances for a Rs1.1bn rights issue, but has extended the offer to October 31 to give shareholders more time to respond. It said application forms had been held up in the post.

But the poor response from shareholders may be more readily explained by the fact that the discount between the offer price of Rs75 and the market price has dropped in the past month from Rs60 to Rs37.

Other companies could well avoid the same fate if they stick to the deep discounts traditionally offered in the Bombay stock market.

For example, investment bankers see little difficulty in the issues planned by Gujarat Fertilisers, a large fertiliser producer, and HCL-Hewlett Packard, an electronics group linked to Hewlett Packard, of the US. Both are launching convertible bonds where the conversion price is only one-third of the market price.

Mr Udayan Bose, chairman of Credit Capital Finance, a leading investment bank, believes that the good issues will go through. He also believes that investors will, if necessary, sell existing holdings to buy competitively priced new stock.

If new issues have to be cancelled or postponed, companies will lose a valuable source of new capital, just as they are gearing up to invest to take advantage of the opportunities created by the reformist policies of the government of Mr Narasimha Rao, the prime minister. With bank credit tight and commercial lending rates running at around 18 per cent, equity capital has been a key source of cheap funds since dividend yields average around 1.3 per cent.

Moreover, companies have only been able to raise funds freely through equity issues since March this year, when the government abolished a rule which required issue prices to be set by a bureaucrat – the capital issues controller. The controller typically insisted on deep discounts in order to favour state-owned financial institutions, which are India's principal investors.

Under the new system, issues have to be vetted by the Securities and Exchange Board of India, the securities watchdog, which examines claims made in prospectuses.

ASIA PACIFIC

Pacific Rim waits for US outcome

IN THE absence of Tokyo, trading in the Pacific Rim was influenced by the US presidential election, *writes Our Markets Staff*. Some markets dipped on fears that a Clinton victory would make exporting to the US more difficult.

HONG KONG was pulled below 6,200 by a sell-off in China Light shares after the power company reported lower than expected earnings.

The Hang Seng index shed 33.73 to 6,197.44, and turnover was unchanged at HK$2.58bn.

China Light fell HK$1.75 to HK$35.75 and was the second most active stock, topped only by HSBC Holdings, which lost 50 cents to HK$63.

KUALA LUMPUR's composite index closed at an all-time peak for the fourth consecutive day, up 4.01 at 653.07. Profit-taking was evident in the afternoon but it was well absorbed. Volume rose to a record 267.9m shares from 205.7m.

SINGAPORE retreated on profit-taking after the recent sharp gains. The Straits Times Industrial index lost 11.67 at 1,405.87 in volume of 156.7m shares, against 133.6m.

F & N fell 50 cents to S$9.80, Sembawang Shipyard slipped 30 cents to S$7.55 and Keppel eased 15 cents to S$5.95.

SEOUL fell for the first time in seven sessions on profit-taking, the index receding 16.45 to 605.52. Turnover dipped to Won483.4bn from Won678.6bn.

Kepco and Posco, both heavily weighted, shed Won200 to Won19,000 and Won900 to Won26,500 respectively.

AUSTRALIA closed mixed after thin trading, due to the Melbourne Cup holiday in Victoria. The All Ordinaries index finished 2.7 up at 1,412.8 after an intraday low of 1,403.9. Turnover was A$152.1m.

BHP lost 8 cents to a 20-month low of A$10.74 after Moody's Investors Service said that BHP's controlling stake in Foster's Brewing had weakened its financial position.

NEW ZEALAND was steady as softness in Lion Nathan before its annual results, due today, cancelled out slight firmness in other stocks. The NZSE-40 capital index ended just 0.18 firmer at 1,372.20 on turnover of only NZ$17m.

Lion dipped a further 4 cents to NZ$3.69 in spite of analysts' forecasts that the brewer will report a profit before extraordinary items of NZ$100m to NZ$115m, up from NZ$70.98m a year ago.

TAIWAN ended narrowly mixed in sluggish trading, with the weighted index a mere 0.15 higher at 3,559.66. Turnover remained thin at T$7.97bn.

MANILA retreated after last week's advances, the composite index losing 8.86 to 1,352.52 in combined turnover of 140.7m pesos, after Friday's 289m. The market was closed on Monday.

Exotic spots for the future

Sara Webb reviews a survey of emerging markets

Sri Lanka, Iceland, Iran and Uruguay have been tipped as a few of the more exotic emerging markets of the future, according to a recent survey* on investor attitudes to equity and bond markets, and some of the more adventurous international fund managers plan to invest in these countries within the next two years.

They would also consider investing in Colombia, India and Israel. However, better-known emerging markets such as Portugal, Greece and South Korea are expected to attract the most new investment over the same timescale.

The response to the survey, conducted by Euromoney Publications, suggests that rather than looking *en masse* for the next emerging market in which they might double their money in a year, institutional investors plan to remain conservative with regard to geographical diversification.

Respondents said they were exposed to 16 out of the survey's list of 42 "emerging and sub-emerging" markets. Mexico and Portugal jointly led the list of emerging markets in which participants already invest, followed by South Africa, which the survey also classified as an emerging market. They were followed by Malaysia, Taiwan, Thailand, Brazil and Turkey.

Respondents said they also invested in Argentina, Chile, Greece, Indonesia, Israel, South Korea, the Philippines and Venezuela.

The survey points out that growing investor interest in the emerging markets will increase the demand for specialist analysts, thus creating new opportunities for the broking community.

The report says: "Almost certainly within five years, those investment banks which are currently revered for their research on French, German or Dutch equities will be aggressively competing for the top-ranked Polish and Czech equity analysts; shortly afterwards, they will presumably be doing the same for Russian and Ukrainian gurus."

The survey was based on the responses of 136 international institutional investors, including large insurance companies, pension funds and other fund managers responsible for managing a total of $1,759bn.

**European Brokers & Analysts Survey 1992 is produced by Euromoney Publications.*

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY NOVEMBER 2 1992								FRIDAY OCTOBER 30 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1992 High	1992 Low	Year ago (approx)
Australia (68)	113.59	−1.7	108.97	88.98	92.80	109.21	−1.3	4.48	115.60	109.69	90.06	92.74	110.84	153.68	113.59	159.49
Austria (19)	145.63	−1.8	140.98	114.06	118.72	118.24	−0.2	2.39	148.30	140.71	115.54	118.97	118.46	186.70	139.27	159.32
Belgium (42)	137.33	−1.9	132.94	107.64	111.95	109.39	+0.0	5.63	139.92	132.77	109.00	112.25	109.39	152.27	135.87	132.98
Canada (114)	120.35	+1.1	116.51	94.25	98.10	108.24	+1.2	3.22	119.02	112.93	92.72	95.47	106.91	142.12	112.97	141.84
Denmark (33)	184.80	−1.5	178.90	144.74	150.65	151.31	+0.0	1.81	187.65	178.06	146.20	150.53	151.28	273.94	184.80	262.94
Finland (15)	66.13	−1.8	64.02	51.79	53.91	68.42	−0.5	2.06	67.33	63.88	52.46	54.01	68.74	99.80	52.84	86.89
France (101)	144.70	−1.6	140.08	113.32	117.95	120.70	+0.0	3.74	147.05	139.53	114.56	117.98	120.70	168.75	144.70	144.86
Germany (64)	103.49	−2.7	100.18	81.06	84.36	84.36	−1.1	2.73	106.36	100.92	82.87	85.32	85.32	129.69	103.49	109.91
Hong Kong (53)	255.52	+0.5	247.36	200.12	208.31	253.60	+0.5	3.51	254.22	241.22	198.05	203.94	252.33	261.48	176.36	168.23
Ireland (16)	129.83	−1.8	125.68	101.68	105.84	108.92	−0.3	4.98	132.21	125.45	103.01	106.06	109.20	173.71	129.83	162.48
Italy (77)	59.42	−0.2	57.52	46.53	48.44	59.56	+1.8	3.49	59.54	56.50	46.38	47.76	58.63	80.86	47.47	70.41
Japan (472)	103.32	−0.3	100.02	80.92	84.23	80.92	+0.3	1.05	103.59	98.29	80.71	83.11	80.71	140.95	87.27	144.15
Malaysia (69)	274.54	+1.7	265.77	215.00	223.79	265.71	+1.8	2.47	269.96	256.15	210.31	216.56	260.97	274.54	212.49	203.02
Mexico (18)	1482.56	+2.8	1435.21	1161.13	1208.58	5059.81	+2.4	1.19	1442.13	1368.38	1123.54	1156.88	4941.53	1789.77	1185.84	1332.32
Netherland (25)	151.77	−1.1	146.93	118.87	123.73	122.30	+0.7	4.63	153.41	145.56	119.52	123.07	121.48	169.70	147.88	143.83
New Zealand (14)	37.39	−0.1	36.20	29.28	30.48	38.03	+0.5	5.95	37.43	35.52	29.16	30.03	37.84	48.52	37.39	49.37
Norway (22)	137.02	−2.2	132.65	107.32	111.70	118.75	−0.7	2.04	140.09	132.92	109.14	112.38	119.55	192.95	136.04	189.19
Singapore (38)	197.24	+2.8	190.94	154.48	160.78	147.70	+3.0	2.23	191.90	182.08	149.51	153.94	143.39	229.63	179.65	202.75
South Africa (60)	147.71	−2.9	142.99	115.68	120.41	145.72	+0.0	3.50	152.18	144.40	118.56	122.08	145.73	263.80	144.29	259.24
Spain (48)	108.57	−2.0	105.10	85.03	88.50	91.66	−0.6	6.53	110.73	105.07	86.27	88.83	92.11	161.72	108.57	154.23
Sweden (31)	155.07	−0.9	150.12	121.45	126.41	135.67	+0.8	2.89	156.46	148.45	121.89	125.51	134.63	200.28	149.69	189.44
Switzerland (60)	109.10	−1.1	105.62	85.45	88.95	94.66	+0.4	2.26	110.31	104.66	85.94	88.50	94.27	122.37	95.99	96.05
United Kingdom (228)	163.34	−0.9	158.12	127.91	133.14	158.12	+1.1	4.64	164.84	156.41	128.41	132.22	156.41	200.07	163.34	180.88
USA (522)	172.60	+0.9	167.09	135.18	140.71	172.60	+0.9	2.96	170.98	162.24	133.22	137.17	170.98	173.39	160.92	158.55
Europe (781)	132.21	−1.3	127.99	103.55	107.79	117.53	+0.4	4.00	134.00	127.14	104.40	107.50	117.01	156.88	132.21	142.29
Nordic (101)	142.00	−1.2	137.46	111.21	115.76	117.13	+0.4	2.49	143.71	136.36	111.96	115.29	116.65	188.52	141.24	187.42
Pacific Basin (714)	108.47	−0.2	105.00	84.95	88.42	86.69	+0.3	1.40	108.70	103.14	84.69	87.20	86.46	141.87	93.70	144.66
Euro – Pacific (1495)	118.07	−0.7	114.30	92.47	96.25	99.13	+0.4	2.58	118.93	112.85	92.65	95.40	98.78	145.21	113.80	144.07
North America (636)	169.34	+1.0	163.94	132.64	138.07	168.22	+1.0	2.97	167.75	159.17	130.70	134.59	166.63	170.49	158.70	157.43
Europe Ex. UK (553)	113.27	−1.6	109.66	88.73	92.36	95.52	+0.0	3.54	115.15	109.26	89.73	92.39	95.53	132.98	113.27	119.40
Pacific Ex. Japan (242)	159.02	+0.1	153.94	124.56	129.65	145.88	+0.3	3.63	158.81	150.69	123.74	127.41	145.41	175.31	149.00	149.61
World Ex. US (1687)	119.29	−0.7	115.48	93.44	97.25	101.15	+0.4	2.60	120.09	113.95	93.57	96.34	100.75	148.91	116.18	145.94
World Ex. UK (1981)	133.77	+0.1	129.50	104.77	109.06	119.62	+0.6	2.53	133.61	126.77	104.10	107.19	118.94	150.58	127.21	146.07
World Ex. So. Af. (2149)	136.37	+0.0	132.02	106.82	111.18	122.79	+0.6	2.74	136.32	129.35	106.21	109.36	122.02	153.05	130.04	148.39
World Ex. Japan (1737)	155.06	+0.1	150.11	121.45	126.43	147.56	+0.6	3.33	154.89	146.97	120.68	124.27	146.46	165.40	151.93	153.16
The World Index (2209)	136.34	+0.0	131.99	106.79	111.15	123.05	+0.6	2.75	136.32	129.35	106.21	109.37	122.28	153.70	130.66	149.10

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Constituent change with effect 4/11/92: Deletion: Printemps (Au) (France). Japanese market closed November 3.

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October 1992

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